

The NATIONAL UNDERWRITER

Life Insurance Edition

Excerpt from NWNL's Latest Annual Report:

"For more than a decade Northwestern National Life has concentrated on having a sales force second to none in quality and in the calibre of its training. During 1953 the number of new salesmen who were brought into the business and trained at NWNL's Home Office schools was increased by 32% while maintaining the same high standards which all new NWNL agents must meet. Recruiting of qualified men, most of whom come from other lines of endeavor where they have been successful but unsatisfied, will continue at an accelerated pace in 1954 . . .

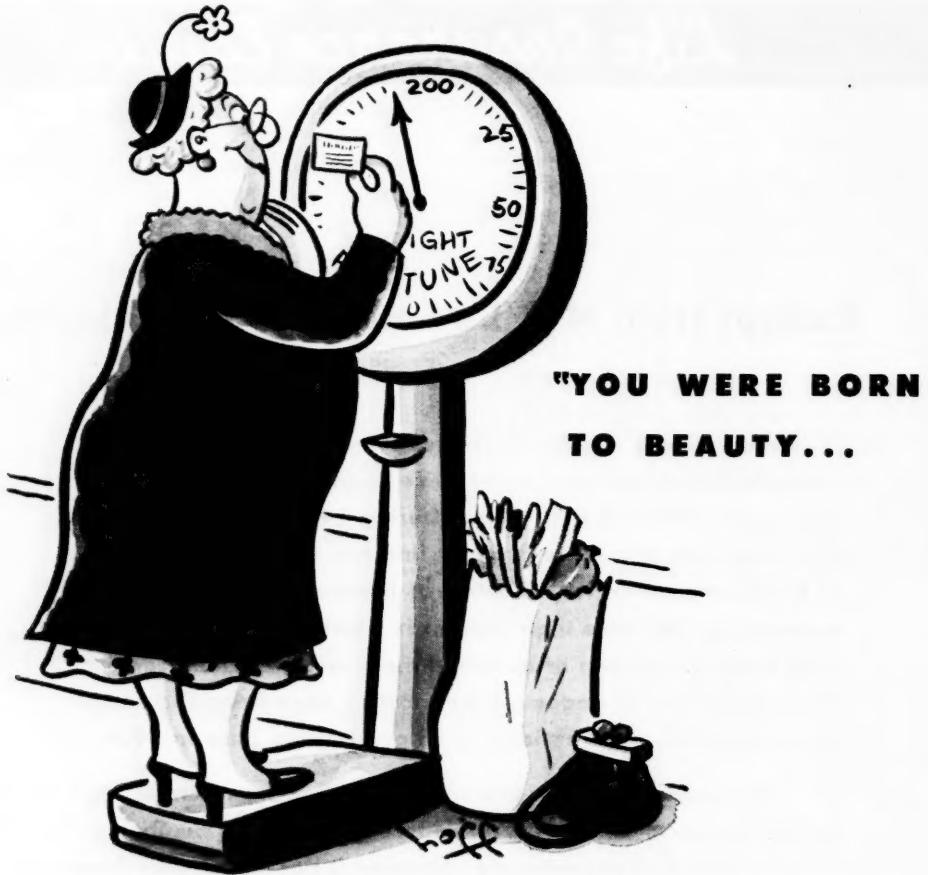
"In keeping with its practice of building from within, NWNL during the past year increased by 40% the number of successful and experienced salesmen it has withdrawn from its sales force for full-time salaried management training —training which will prepare them to be future agency managers or general agents, and which will give the Company qualified personnel to expand its operations into new areas or for managerial replacements."

The recruiting and training of qualified new men from other lines of business, and the development of more field management talent "from within" are the twin objectives of NWNL's manpower policy which is resulting in more new permanent life insurance careers and a net gain in quality manpower for the industry as a whole.

NORTHWESTERN *National* **LIFE**
OF MINNEAPOLIS

One of America's great Life insurance companies

FRIDAY, JANUARY 22, 1954



"and your only trouble this year may result from too many people falling under the spell of your great personal charm." That's what it says on the back of the ticket. The front is more factual. "Weight 194." Some predicting.

Plain fact, as every life insurance agent knows, is that you can't predict the future. The Union Central agent also knows that you can prepare for the future on the basis of what happens to most people and still take care of the exceptions.

Certainly the best preparation is life insurance—Union Central life insurance with its

policies and combinations of policies to meet every life insurance need from birth to age 70.

And the Union Central agent is also an up-to-the-minute insurance man. The best policy of twenty years ago isn't necessarily the best policy today. Times change. The needs of people change. An alert, cooperative Home Office keeps all Union Central agents fully informed, helps them with the proper sales tools to make Union Central life insurance serve people best in terms of today's needs—projected reasonably and logically into the future.

THE UNION CENTRAL

LIFE INSURANCE COMPANY



CINCINNATI, OHIO

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

January 22, 1954
58th Year, No. 4

Hospital Care Cost Report Avoids Bias on Insurance Plans

Company Representatives Credited with Advertising Pro-Blue Cross Slant

There is no outright endorsement of either the service approach to hospitalization insurance, typified by the Blue Cross, or the indemnity approach, the usual insurance company method, in the report released this week by the commission on financing of hospital care. The commission was appointed in 1951 by the American Hospital Assn. to study the subject.

The report bears down pretty hard on what are considered to be the distinct limitations of the indemnity approach, such as selling on price rather than with due regard to the level of hospital costs in the community. However the feeling among insurance people who have been following the commission's deliberations is that the report could have been a lot worse, slanted in favor of the insurance business's main competitors, and doubtless would have been if it had not been for the effective work done by insurance representatives on the commission or assisting it.

There were strong pressures within the commission and its staff in the direction of socialization and the fact that the report does not exclusively recommend the service approach and comes out for local rather than federal subsidy of hospital care for the needy can be viewed as a direct result of vigorous protests by insurance company people and by certain of the "public members" who strongly resisted socialistic and impractical "do-gooder" proposals that were advanced.

Federal government participation in financing of hospital care is suggested at several points in the report but mostly this is suggested as a last resort. In such cases certain safeguards are provided, as for example limiting funds to experimental or pilot projects with definite termination points. The only major exception is the recommendation for extending the federal old age and survivors insurance system to needy beneficiaries of that system if employers fail to extend hospital benefits to retired employees. However, the dissent of one of the commission members, E. J. Faulkner, president of Woodmen Accident, is given in full in the report.

The report recommends a substantial amount of activity by hospitals in their own communities, not just in educating the public on the need for hospitalization insurance but also on the appraisal of the adequacy of prepayment benefits.

Emphasis is given in the commission's recommendations to developing measures for keeping prepayment costs as low as possible by eliminating un-

First '54 MDRT Qualifiers List Carries 243 Names

The first list of 1953 qualifiers for the Million Dollar Round Table has been released by Chairman G. Nolan Bearden, New England Mutual, Beverly Hills, Cal.

The list includes 243 qualifiers whose applications were submitted during the period from Nov. 1 through Jan. 7. This is broken down into five classifications: 25 qualifying for the first time; 27 life and qualifying for the first time; 110 life and qualifying repeating; 32 qualifying and repeating; and 49 life.

Mr. Bearden announced that other lists of qualifiers will follow. March 15 is the closing date for filing.

The organization had 1,240 members last year. However, with the increase in insurance sales which was recorded in 1953, it is anticipated that the membership will turn out to be even larger for the 1954 session.

Mr. Bearden urges early submission of applications. The MDRT office is processing applications as fast as it can. Some members may have had their applications in for some time but the organization's office may be still waiting for a qualifying letter or certifying letters from their companies.

On the initial list was one of the organization's oldest members. He is Lyle A. Spencer, Equitable Life of Iowa, Youngstown. He was one of the members of the founding group in 1927 and has been a consistent qualifier.

Among other long time members are the following Massachusetts Mutual Life agents: Jacob W. Schoul, Boston, 25 years; Daniel Auslander, New York, 21 consecutive years; David Marx, Jr., Atlanta, 14 years, and Wayne M. Trostle, Cleveland, 13 years.

Qualifying First Time

B. W. Arnold, III, Union Central, Providence, R. I.; Paul Avery, Southland, Longview, Tex.; Charles Blackman, Security Mutual Life, Providence, R. I.; Al G. Brown, Confederation Life, Toronto; Clarence A. Corwin, New England Mutual, Springfield, O.; R. H. Creed, Southwestern Life, Wichita Falls, Tex.; Edgar J. Doyle, Mutual Benefit Life, Syracuse; Gordon E. Ellison, Life of Virginia, Detroit; John M. Hastings, Mutual Benefit Life, Syra-

cuse; Frank A. McDevitt, General American, Omaha; Robert A. McKean, Jr., New England Mutual, Pittsburgh; Roger Martel, Alliance Nationale, Montreal; Clarence S. Marten, Aid Assn. for Lutherans, Appleton, Wis.

Edward Mass, Franklin Life, Miami, Fla.; Harold A. Meyer, Franklin Life, Springfield, Ill.; Edward J. Parker, Mutual Savings Life, Warrington, Fla.; Jack E. Percival, Jr., Penn Mutual, St. Louis; Burton B. Resnick, Massachusetts Mutual, New Haven; George W. Riley, New England Mutual, Minneapolis; Alvin Rogal, Lincoln National, Pittsburgh; Morris Rosenbaum, New York Life, New York; Max Rutledge, Southwestern Life, Lubbock, Tex.; Leon B. Sittenfeld, New York Life, Kansas City; Russell W. Steger, New England Mutual, Champaign, Ill.; Paul W. Ussery, Fidelity Union Life, Dallas.

Life & Qualifying First Time

John D. Banning, National Life, Chicago; H. F. Bell, American General, Abilene, Tex.; Charles S. Bray, Victory Life, Topeka; Archie A. Campbell, Northwestern Mutual, Minneapolis; Jules Ehrman, Lincoln National, Pittsburgh; Lloyd A. Groth, Penn Mutual, Bethlehem, Pa.; John R. Humphries, Massachusetts Mutual, Chattanooga; Jack Isaacson, Metropolitan, Chicago; Herbert P. Jones, Atlantic Life, Pittsburgh; Wm. D. Key, Pilot Life, Columbus, Ga.; Harris L. Landen, Southwestern Life, Amarillo, Tex.; William T. Larsen, Mutual Benefit Life, Newark; Harry Levey, Manhattan Life, Beverly Hills, Cal.; Wayne L. Lewis, Ohio State Life, Columbus, O.; Joseph F. Lo Bosco, Manufacturers Life, Weilland, Ont.

Lantz L. Mackey, independent, Detroit; Edwin O. Martin, Provident L&A, Chattanooga; William A. Menke, Jr., Franklin Life, San Diego; Hugo J. Meyer, Jefferson Standard, El Paso, Tex.; Heinrich C. Orth, Penn Mutual, New York; John P. Propis, Northwestern Mutual, Buffalo; Carl J. Renneke, Aid Assn. for Lutherans, Seymour, Ind.; William J. Schloen, Jr., Manhattan Life, Beverly Hills, Cal.; Robert O. Segal, independent, New York; Samuel J. Sugar, Penn Mutual, Washington; Hubert D. Wheeler, New England Mutual, Duluth; Robert D. Wright, Bankers Life of Iowa, Alliance, O.

Life & Qualifying Repeating

David Adelman, Mutual Benefit, New York; Daniel Auslander, Massachusetts Mutual, New York; Marsden Austin, New York Life, Enid, Okla.; Harry J. Baker, Bankers National, Boston; Meyer L. Balser, Massachusetts Mutual, Atlanta; Emmett C. Barr, New York Life, Chicago; Sam Baum, Guardian Life, Denver; Myron H. Beitman, Continental Assurance, Harrisburg, Pa.; Walter R. Benz, Penn Mutual, Fort Wayne, Ind.; A. Harold Bickerstaff, London Life, Toronto; Philip V. Birmingham, Phoenix Mutual, St. Paul; Jean Black, Connecticut General, Indianapolis; Franklin W. Bowen, Northwestern Mutual, Charleston, W. Va.; John E. Bromley, Massachusetts Mutual, Battle Creek, Mich.; George B. Byrnes, Equitable Society, Pasadena, Cal.

Richard W. Campbell, Fidelity Mutual, Altoona, Pa.; Nicholas G. Caputi, Fidelity Mutual, Providence, R. I.; Harry W. Castleman, New England Mutual, Louisville, Ky.; Ithiel A. Cohen, Lincoln National, Pittsburgh; Norman Cowan, Imperial Life, Toronto; Michael P. Coyle, Phoenix Mutual, New York; C. W.

(CONTINUED ON PAGE 15)

Late News Bulletins . . .

Hobart Retires, Tripp Heads Ministers L&C Union



M. W. Hobart



O. R. Tripp

Mell W. Hobart, president of Ministers Life & Casualty Union, has retired and is being succeeded by O. R. Tripp, formerly vice-president and treasurer. Andrew Hobart has been named 1st vice-president and secretary.

Mr. Hobart's retirement completes 53 years in which the company has been managed by father and son. The late Walter P. Hobart founded Ministers in 1900 and his son, Mell W. Hobart, joined the company in 1913, became executive secretary in 1920 and president in 1950, the year it became

Ministers writes only professional re-ligious workers.

Mr. Hobart has served as vice-president of H&A Underwriters Conference

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Eisenhower Message Sheds No Light on "Reinsurance" Plan

But Emphasis on Working Through All Types of Private Insurers Pleases Industry

In his special message to Congress Monday President Eisenhower shed no further light on his proposed reinsurance plan for hospital and medical care, beyond revealing that it would start off with a \$25 million fund supplied by the government.

Even those insurance people who have been following this program closely say they have been unable to find out any details as to how the proposed reinsurance plan would work, although they are gratified at the emphasis on working through voluntary plans and the fact that the President's proposal would encompass insurance company plans and not just the Blue Cross type of arrangement, which the Wolverton reinsurance bill provides for.

There is a fairly widespread belief that the reason the administration isn't disclosing any details of its reinsurance plan is not that it is playing coy but simply that it hasn't figured out how the thing is going to work. The administration is opposed to a subsidy but insurance observers point out that if insurers get back more than they put into the reinsurance pool, it is obviously a subsidy, while if they get back less than they put in or even about the same, what is the point of reinsuring?

The basic misconception that insurance experts have found in the reinsurance proposal—assuming that it is not to be subsidized—is that the need is not to spread the incidence of loss so that no one insurer will be hit too hard by an unlucky concentration of losses, but to take care of a level of losses known to be substantially higher than the normal experience.

"For example, let's say the cost of insuring people for hospital and medical care at ages above 65 is four times what it is below 65," said one insurance executive. "We either have to charge everybody for the extra cost of insuring people over 65 or the reinsurance pool takes care of it and that amounts to subsidy. If a company would have to pay out a million dollars more a year in claims by reason of insuring people over 65, then the proper reinsurance premium is a million dollars and what sense would there be to reinsuring? But if the insurer pays the reinsurer less than a million dollars, then there's a subsidy."

Insurers are particularly suspicious of subsidies because they could hardly be given without some sort of federal supervision of the insurers that were to receive the subsidies.

American Life Convention and Life Insurance Assn. of America have put

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Additional Information and Figures Given on N. Y. Life Policy Series

NEW YORK—Supplementing the news article last week concerning New York Life's new series of policies, the following detailed material is presented, along with net cost tables for the more popular plans, which had to be omitted from last week's issue for lack of space.

More plans and benefits have been made available at the younger ages. In addition to the new estate-builder plan, several other plans are now available down to age 0—\$10,000 whole life, life paid up at age 85, life paid up at age 65, and endowment at age 65. Waiver of premium and double indemnity will be available down to age 5. The child's protection benefit will cover the disability as well as the death of the applicant and the premium for the benefit will be payable during the full term of coverage under the benefit.

Seven plans, including whole life, are now available up to age 70 at issue. Double indemnity is available to age 65, which the company says is the highest issue age in the industry.

Maximum amounts that the company will accept have been considerably liberalized for both standard and substandard risks. Maximum retention on policies with the waiver benefit have also been increased.

The dividend illustrations which the company has prepared for use in connection with the new policies reflect a program of dividend distribution for such policies under which no extra dividends are contemplated. The annual dividends are thus larger than would otherwise be the case.

Discount on premiums paid in advance will be based on 2½% interest.

Generally speaking, the new features

incorporated in the A.D. 54 program will not be applicable to existing policies.

Cash values in the new policies are equal to the full CSO 2½% reserve beginning at the end of the 12th policy year (or the end of the premium-paying period if earlier), except for the whole life plan. On the whole life plan, cash values are equal to the full reserve beginning at the end of the seventh policy year. The new reserves are sufficient to provide for the inclusion in death benefit proceeds of the prorata amount of any premium paid beyond the end of the policy month of death. Reserves on the "continuous functions" basis are higher than on the traditional basis with the same mortality and interest assumptions.

Following is a digest of the company's comments on the new policies:

Whole Life (\$10,000 minimum policy): Premiums for the new whole life plan are lower than the premiums for the life paid up at age 90 plan, which has been discontinued.

In view of expected savings in expenses due to a high average size policy, dividend illustrations and the resulting net payment and net cost figures are very favorable. Business insurance illustrations are also very favorable.

Issue ages are 0 to 70 (not available in New York before age 10; in Canada before the fifth birthday may be issued only with premium return to the fifth birthday). The whole life plan is available to both standard and substandard lives on a medically-examined basis only. It is not limited to "preferred risks".

Because of state insurance depart-

ment requirements, a statement will be required from the agent if a policy for \$10,000 or more is applied for on the life paid-up at age 85 plan, to the effect that he has explained the advantages of the whole life policy and has offered to submit an application for such a policy but that the applicant nevertheless prefers to apply for a policy on the life paid-up at age 85 plan. However, if a policy for exactly \$10,000 is applied for non-medically on the life paid-up at age 85 plan under the company's regular non-medical rules the statement will not be required, since the whole life plan is not available on a non-medical basis.

Life Modified Three (\$5,000 minimum policy): Under the new life modified three plan the initial premium, payable for the first 3 years, is 85% of the subsequent premium.

As a variation from the general pattern, it is not expected that any dividend will be payable before the end of three years. The amount of the third year dividend in the 1954 dividend illustration booklet is at least sufficient to offset the premium increase.

Issue ages are 10 to 65. Policies are available on a non-medical basis under the company's regular non-medical rules.

No statement is required from the agent even though the amount of insurance applied for on this plan is \$10,000 or more. In such case, however, consideration should be given whenever possible to the whole life plan.

Supplementary Requirement Annuity Option in 20 Payment Life issued at ages 0-40: Twenty payment life policies, if issued at ages 0 to 40, contain a valuable new option available within 31 days of the date the policy be-

(CONTINUED ON PAGE 16)

Taft of Wyoming Crystallizes Rules for Agent's License

The Wyoming department has issued order 106, effective Jan. 25, which stiffens requirements for an agent's license in that state.

The former Wyoming statute, referring to this provision, states that the commissioner "shall be satisfied that an applicant for an agent's license is worthy and competent." This has been amended to read, "No application for a license for an agent not now licensed . . . will be approved unless satisfactory evidence is furnished that the applicant has had adequate training or experience covering the type of insurance he will offer to the public or that he will receive such training, to begin immediately and continue until satisfactorily completed. Evidence of applicant's worthiness will also be required."

Companies requesting Wyoming licenses for their new agents are now required to enclose a letter with every application, declaring that the agent has been thoroughly investigated by the company, that he is or immediately will be thoroughly informed regarding the type of insurance he will sell, that he is acquainted with his company's rules and regulations as well as the laws of the state applying to such insurance, and that he has never been convicted of a felony.

A brief description of the kind of training which will be given the applicant, if licensed, is also required by the Wyoming department. The order was signed by Commissioner Taft.

Says Insurance Most Over-Regulated Business in U. S.

Donovan Tells Chicago Legal Rally Pendulum Has Swung Too Far

Insurance is the most over-regulated business in the U.S., James B. Donovan, general counsel of National Bureau of Casualty Underwriters, told a conference on insurance law conducted by the University of Chicago law school.

Terming insurance regulation a progressive thing, Mr. Donovan said he believes the pendulum has swung too far and unless it goes the other way it could adversely affect growth of the business as well as the nation's economy.

Mr. Donovan's talk was one of several in which a variety of legal aspects were explored by prominent insurance men and lawyers. The program attracted a sizable attendance and the meeting proved to be one of the most popular of the several special conferences staged periodically by the law school.

Other speakers were Herbert Brook of the Chicago insurance law firm of Lord, Bissell & Kadyk; M. Albert Lincoln, chairman of Provident Mutual Life; Churchill Rodgers, general counsel of Metropolitan; J. Edward Day, associate general solicitor of Prudential; Robert B. Ely, III, general counsel of North America; Barry Oakes, associate counsel of Bankers Life of Iowa; John R. Stark, bureau of the budget, Washington, and Professors Friederich Kessler of Yale law school and Clarence Morris of University of Pennsylvania law school.

Mr. Linton's address appears elsewhere in this issue and a summary of the talk by Mr. Oakes will appear in a subsequent issue.

Mr. Donovan termed state regulation of insurance the yardstick of immunity from the federal anti-trust laws. Because there are 52 regulatory jurisdictions, he said policing of the business is necessarily complicated although the system is functioning pretty well today, largely through the efforts of National Assn. of Insurance Commissioners. Even if all 52 administrators possessed the highest technical competence, the system would be a difficult one because of its diversity, he observed.

The various reasons espoused to justify the "over regulation" of insurance are vague, according to Mr. Donovan. Many proponents of strict regulation say the business affects the public interest, "a meaningless phrase", he said. Others claim insurance is vital to the economy, though this can be said about all industries, the speaker stated. Another argument holds that the business is complicated, though the speaker discounted this by saying a comprehensive personal liability policy is not nearly so hard to understand as a 17-jewel watch.

With actually hundreds of companies competing for business, Mr. Donovan said he does not believe insurance can be considered a monopoly. Referring to the wide-spread control over policies,

(CONTINUED ON PAGE 11)

Whole Life, \$10,000 Minimum							
Age	Age	Age	Age	Age	Age	Age	Age
25	35	45	55	65	75	85	95
\$	\$	\$	\$	\$	\$	\$	\$
17.59	23.59	33.64	50.64	33.12	39.88	49.50	64.73
351.80	471.80	672.80	1,009.20	662.40	797.60	990.00	1,294.60
20th yr. cash val. 289	371	464	559	559	662	764	851
Total dividends pd. 80.89	102.14	132.05	181.96	137.53	167.44	202.40	253.91
Cash val. plus divs. 369.89	473.14	566.05	749.06	696.53	829.44	966.40	1,104.91
Total net cost, 20 yrs. -18.09	-1.34	76.75	268.24	-34.13	-31.84	23.60	189.69
Net cost per yr./\$1,000 -9.00	-.07	3.84	13.41	-1.71	-1.59	1.18	9.49
Net cost if divs. -1.71	-1.11	2.44	11.36	-3.38	-3.72	-1.40	6.08
Accumulate at int.							

[†]Includes termination dividend.

20-Payment Life							
Age	Age	Age	Age	Age	Age	Age	Age
25	35	45	55	65	75	85	95
\$	\$	\$	\$	\$	\$	\$	\$
16.54	22.22	32.25	49.06	20.80	27.72	38.95	57.91
19.46	26.14	37.94	57.72	20.80	27.72	38.95	57.91
380.44	511.04	741.73	1,128.42	416	554.40	779	1,158.20
20th yr. cash val. 284	365	457	550	290	374	471	588
Total Dividends pd. 92.61	121.33	175.12	276.87	106.70	143.64	189.80	260.27
Cash val. plus divs. 376.51	486.33	632.12	826.87	396.70	517.64	660.80	848.27
Total net cost 20 yrs. 3.83	24.71	109.61	301.55	19.30	36.76	118.20	309.93
Net cost per yr./\$1,000 .19	1.24	5.48	15.08	.97	1.84	5.91	15.50
Net cost if divs. -83	-.15	3.49	10.82	-.30	.07	3.55	12.16
Accumulate at int.							

[†]Includes termination dividend.

Modified 3, \$5,000 Minimum							
Age	Age	Age	Age	Age	Age	Age	Age
25	35	45	55	65	75	85	95
\$	\$	\$	\$	\$	\$	\$	\$
16.54	22.22	32.25	49.06	20.80	27.72	38.95	57.91
19.46	26.14	37.94	57.72	20.80	27.72	38.95	57.91
380.44	511.04	741.73	1,128.42	416	554.40	779	1,158.20
20th yr. cash val. 284	365	457	550	290	374	471	588
Total Dividends pd. 92.61	121.33	175.12	276.87	106.70	143.64	189.80	260.27
Cash val. plus divs. 376.51	486.33	632.12	826.87	396.70	517.64	660.80	848.27
Total net cost 20 yrs. 10.95	11.94	23.60	41.75	-144.54	127.21	-59.75	116.44
Net cost per yr./\$1,000 .55	.60	1.18	-2.09	-7.23	-6.36	-2.99	5.82
Net cost if divs. -80	-1.30	-1.40	-5.12	-9.00	-8.53	-5.56	2.46
Accumulate at int.							

[†]Includes termination dividend.

Life Pd. Up at 65							
Age	Age	Age	Age	Age	Age	Age	Age
25	35	45	55	65	75	85	95
\$	\$	\$	\$	\$	\$	\$	\$
22.65	31.60	49.50	98.06	50.15	52.17	56.96	68.06
453.00	632	990	980.60	1,003.00	1,043.40	1,139.20	1,361.20
20th yr. cash val. 329	467	764	851	1,000	1,000	1,000	1,000
Total dividends pd. 113.05	153.06	202.40	171.35	147.54	170.61	198.95	244.76
Cash val. plus divs. 442.05	620.06	966.40	1,022.35	1,147.54	1,170.61	1,198.95	1,244.76
Total net cost 20 yrs. 10.95	11.94	23.60	41.75	-144.54	127.21	-59.75	116.44
Net cost per yr./\$1,000 .55	.60	1.18	-2.09	-7.23	-6.36	-2.99	5.82
Net cost if divs. -80	-1.30	-1.40	-5.12	-9.00	-8.53	-5.56	2.46
Accumulate at int.							

[†]10 years, to end of premium-paying period.

[†]Includes termination dividend.

20-Year Endowment							
Age	Age	Age	Age	Age	Age	Age	Age
25	35	45	55	65	75	85	95
\$	\$	\$	\$	\$	\$	\$	\$
33.65	49.28	81.12	173.58	25.16	35.65	55.96	116.94
Gross Prem. 20 yrs. 673.00	985.60	1,622.40	*1,735.80	503.20	713.00	1,139.20	*1,169.40
20th yr. cash val. 596	916	1,623	*1,623	394	579	1,000	*1,000
Total dividends pd. 121.75	171.75	265.02	115.99	112.62	152.50	198.95	113.13
Cash val. plus divs. 717.75	1,087.73	1,888.02	1,778.99	506.62	731.50	1,198.95	1,113.13
Total net cost 20 yrs. -44.75	-102.13	-265.62	-43.19	-3.42	-18.50	-59.75	56.27
Net cost per yr./\$1,000 .24	-.57	-13.28	-1.32	-.17	-.33	-2.99	5.63
Net cost if divs. -3.70	-7.17	-16.43	-3.67	-1.49	-2.80	-5.54	4.39
Accumulate at int.							

[†]10-year basis for issue age 55.

[†]Includes termination dividend.

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FTC Confers With Insurers on Scope of A&H Probe

WASHINGTON—Federal trade commission plans for investigation of the A&H business were discussed at a conference of FTC officials and representatives of insurers doing an A&H business.

FTC Secretary Ackerman said the insurance representatives gave assurances of cooperation and the commission expects 100% cooperation from "legitimate" companies. He said the commission doesn't want to do anything to "undermine public confidence in legitimate companies," but if there is found to be "a small group of sharpshooters" in the industry, the FTC will crack down within the limits of its jurisdiction. If offenses outside FTC jurisdiction are found they will be referred to state commissioners. The latter are cooperating with the FTC through a liaison committee, Ackerman mentioned.

The FTC secretary said the investigation will deal primarily with advertising, which will be compared by FTC staff members with policies advertised. He said public interest in the investigation is "terrific" and an "astounding" volume of mail has been received on the subject, indicating that many members of the public believe they have been misled by A&H advertising. Though FTC will use its entire investigative setup to expedite the investigation it will probably take a year or more to complete, Ackerman indicated. He said the FTC is not trying to duplicate the mail order A&H probe of the Langer committee but said the results of the FTC investigation may "fit into" Langer's. Attorney Robert Sills is in charge of the investigation.

Krause Gets Toledo Post for Ohio State Life

Ohio State Life has appointed James E. Krause general agent at Toledo where he succeeds J. Earl Pullen who died last July. Mr. Krause is the third person to head the agency since it was established in 1909.

For the last two years Mr. Krause has been an assistant agency manager at Cincinnati and before that he was in insurance for four years at Mansfield, O.

Indianapolis CLU Chapter Annual Forum Draws 400

There was a record attendance of 400 business, professional, educational, and insurance people at the annual forum of Indianapolis CLU chapter. Three speakers presented various phases of the general theme, "Your Responsibility for Good Citizenship in 1954."

Dr. J. Russel Humbert, president of DePauw University, spoke on "Your Religious and Educational Responsibilities"; William E. Jenner, U. S. senator from Indiana, "Your Government Responsibilities"; and Mark A. Brown, president, Harris Trust and Savings Bank, Chicago, "Your Business Responsibilities." Willis B. Coaner, Jr., vice president of Merchants Bank & Trust Co., Indianapolis, was moderator.



James E. Krause

John Burkhart, chapter president and vice president of College Life, presided. Frank M. Moore, president of College Life, was general chairman for the forum.

Health Forces Handy to Retire from Mass. Mutual

John F. Handy has asked to be relieved of his duties as general counsel of Massachusetts Mutual because of ill health. He has been general counsel since 1948. He is a graduate of Bowdoin College and Boston University law school and is a veteran of the first world war.

'53 Good Year for K. C. Life, Goes Over Billion in Force

Kansas City Life's insurance in force passed the \$1 billion mark in 1953, reaching \$1,013,741,546. This is an increase of \$58,626,547 over the preceding year. Assets reached \$288,069,407, compared with \$270,698,077. The total of capital, special contingency fund and unassigned surplus, amounting to \$21,216,272, was an increase of .53%.

The company has increased its semi-annual dividend from \$2 to \$2.50.

Insurance Reaction to Ike's SS Plan Generally Favorable

The reaction of life insurance people to President Eisenhower's social security program is generally favorable, even though they dislike its projected increase in payments to those qualifying for top benefits, since the boost would mean still further competition for the sale of life insurance and annuities.

The increase would be accomplished by a boost of \$600 in the wage base and an increase in tax rates applicable to the base. The President's proposal for a tax waiver provision for disability would also be competitive with insurance. However, in view of the more drastic proposals being pushed by others at Washington, the general insurance reaction is that the industry would be happy to settle for what the President has proposed.

The U. S. Chamber of Commerce social security plan is regarded as having no chance of enactment, in view

of the President's not having espoused it and the fact organized labor is so outspokenly against it.

"Insolvent" Citizens General Owned by Life Company

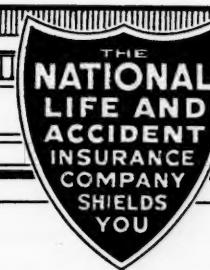
Citizens General, the Los Angeles property insurer that has been declared insolvent by the California department, is a wholly owned affiliate of Citizens Life & Casualty. Commissioner Maloney has been appointed conservator of the company by Los Angeles superior court.

A tentative estimate by the California department put assets of the company at \$745,817 and liabilities at \$780,011. It is believed, however, a larger deficit will be shown when the department's report is completed.

Citizens Life & Casualty at the end of 1952 showed \$693,157 in assets, more than \$250,000 of this being stock of Citizens General.

Hear Hardy at S. F.

William L. Hardy, agency vice-president of West Coast Life, gave a talk on agency and business development, based on his personal experiences, at a meeting of San Francisco General Agents & Managers Assn.



EVERY MEMBER of the FAMILY

The bulk of the protection should be on the life of the income-producer of the family, of course.

But the uncertainty of the future applies to every member of the family, and the death of any one of them brings an economic shock greater today than ever before.

We have always offered Life Insurance on every member of the family, including the baby.

The NATIONAL LIFE
and ACCIDENT
Insurance Company
INCORPORATED

Home Office: NASHVILLE, TENNESSEE

LIST MEDICAL SPEAKERS

Innovations Spice
H.&A. Conference
Group Rally Card

The program for the H&A Underwriters Conference group meeting to be held Feb. 9-10 at Chicago features two innovations. One of the sessions will be devoted to sales and service of group insurance, and another will consist of series of 10 limited-attendance breakfast sessions at which specialized problems will be aired.

The problems of insuring senior citizens, the topic for the conference's annual hospital-medical forum to be held Feb. 8, also at Chicago, will be considered by John H. Miller, Monarch Life; Mrs. Elizabeth Breckinridge, Illinois Public Aid Commission; Gerhard Hirschfeld, Research Council for Economic Security, and Dr. Frank Dickinson, American Medical Assn.

The group sales and service discussion will be handled on a panel basis, with George R. Jordan, Republic National Life, considering organization and authority of the field force; J. D. Breslin, Zurich, sales promotion; A. W. Randall and Richard Finnell, both of Mutual Benefit H&A, training of salesmen.

Topics for the Feb. 9 breakfast meetings, and the presiding officers, are: Trade association group, Norman C.

Morrison, Federated Mutual; extended maternity benefits, W. L. Miller, Northern Life; claim reserves, Donald Albright, Provident L&A.; blanket coverages, Wayland Mansfield, Woodmen Accident and fringe benefits, George Hilliard, Washington National.

At the breakfast sessions Feb. 10, Charles E. Probst, Connecticut General, will lead discussion of major medical coverage; Paul Rinker, Continental Assurance, conversions; George McDowell, Commercial Insurance, professional association groups; J. W. Crews, Benefit Assn. of Railway Employees, coinsurance and deductible hospital plans, and G. Voigt, Lumbermen's Mutual Casualty, compulsory cash sickness.

Other Tuesday features are a visual aid presentation on transferred business by Frederick W. Clark, Lincoln National Life, and a panel on small group with G. N. Watson, Crown Life, as moderator. Participants are Robert F. Benjamin, F. Reman's Fund; Russell E. Litala, Hardware Mutual; H. I. Mactavish, Crown Life; J. E. Fritz, Lumbermen's Mutual Casualty, and Allison S. Beebe, Paul Revere Life.

Also that day Burt Dutcher, New York Life, will moderate a panel discussion on "Effective Administration of Group Plans". Members include John D. Gillespie, Time, and John Bevan, Liberty Mutual.

Following a talk Wednesday by Martin E. Segal of Martin Segal Co., New York consulting firm, on "Labor-Management Trusted Welfare Plans",

there will be a panel on "Voluntary Insurance Accepts the Challenge". Speakers will be E. J. Faulkner, Woodmen Accident; George Hipp, Employers Mutual; Ray Brown, superintendent, University of Chicago Clinics; Arthur Cook administrator of Evanston Hospital, and Dr. Percy Hopkins, chairman of the American Medical Assn. committee on prepayment hospital and medical service of the Council on Medical Service.

A reception is scheduled for Monday evening, prior to the opening of the group meeting, and the luncheon Tuesday will be addressed by Robert W. Kneebone, vice-president of National Bank of Commerce at Houston.

State Mutual to Set Up
Special Development Unit

State Mutual will set up a management training and marketing development agency in Pittsburgh about March 1. This new venture, which is slated to play an important role in the company's future agency development program, will be attached to the G. Harold Moor agency and its functions will be carried on in connection with the regular business of that agency.

Hear Lindop at Chicago

Ralph K. Lindop, Monarch Life general agent at New York City, was the speaker for the first meeting in 1954 of Chicago A&H Assn. Mr. Lindop was the first president of the association's New York chapter. His agency has been among the company's first three since its inception.

Employers Offers
Reinsurance for
Substandard A&H

Employers Reinsurance will now provide reinsurance facilities covering substandard A&H risks. This is the first time such reinsurance has been obtainable. The service will be on a treaty basis.

The company has been providing reinsurance in A&H lines for more than 35 years, and has been instrumental in opening for the industry many new avenues of coverage through its reinsurance facilities.

The facilities provided are based upon an intensive company study covering approximately three years. The study confirms the industry's opinion that the problems involved in writing substandard A&H are numerous and serious, and are much more serious than those existing in substandard life insurance practice. Employers does not consider its plan a solution to these many problems, but rather as opening the door to experimentation on a broad inter-company basis.

Reinsurance will be available only on coverages falling within types of benefits included under Employers' plan. Essentially these are: A. A coverage plan for moderately impaired risks, providing benefits for five years accident and one year non-confining sickness disability. B. A coverage plan for the more seriously impaired risks providing the same coverage as the first plan, with the exception that the coverage as to losses due to the known impairment will not begin until a stated period after the issue date of the policy and then will be subject to an aggregate time limit with respect to such impairments.

The primary companies may underwrite risks at such rates as they see fit, using any manual or plan of underwriting they desire. Employers will, however, generally adhere in its reinsurance underwriting to a modification of the manual developed by Roy MacDonald, H&A Underwriters conference, for underwriting substandard risks.

The company does not anticipate early large demand for the new facilities even though the plan grew out of interest exhibited by a number of its reinsurance clients. It also suggests that an agent should not assume that the substandard problem is close to solution simply because his company may be studying the matter, nor should the agent assume substandard A&H facilities should necessarily be made available to him by his company just because reinsurance is to become available.

Midland to Sponsor DISC

The first disability insurance sales course conducted at company level will be held at the home office of Midland Mutual Life, Watertown, S. D., Jan. 25-27. It will also be the first time the course has been presented in South Dakota.

Sessions will be under direction of the International Association of A & H Underwriters, and instructors are primarily men active in IAAHU and who have participated in previous presentations of DISC.

They are—Sig Bjornson, Central Standard and State Auto, Fargo; C. A. Ernst, North American L. & C., St. Paul; H. L. Graham, Bankers of Iowa, Des Moines; L. A. McKinnon, McKinnon-Mooney, Flint; W. G. Coursey, managing director of IAAHU, Chicago; and G. O. Burt, insurance commissioner of South Dakota.

A Complete Line of Coverage
Life Insurance Accident & Health
Hospitalization Medical-Surgical
Excellent Opportunities for Capable Salesmen

Bankers Life & Casualty Company

John D. MacArthur, President

Chicago 30, Illinois

1954 Agency Supervisor Opportunity



The Standard Life of Indiana wants to flex its agency muscles in 1954. As our surplus increases

we are willing to put back more of our profits (among the best in the business) into agency expansion. We have several lucrative agency contracts, a wide assortment of very competitive

tive policies and annuity contracts, national magazine advertising and practical sales aids to sell. A hustling supervisor that can get men who can produce will make himself a solid lifelong connection with an excellent income. All inquiries are confidential. Write me.

Harry V. Wade, President



GENERAL AGENCIES OPEN IN Arkansas • Arizona • California
Delaware • Florida • Georgia • Illinois • Indiana • Kentucky
Louisiana • Maryland • Michigan • Missouri • New Mexico
Pennsylvania • Tennessee • Texas • Virginia • West Virginia

STANDARD LIFE INSURANCE CO. of IND.
INDIANAPOLIS, INDIANA

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INVESTMENT TRUSTS TAKE NOTICE

Term-and-Invest-Difference Plan Would Have to Earn 3.88% on Fund, Says Linton

The alluring gimmick of buying term insurance and building up a reserve fund is being aggressively fostered by certain mutual funds and may well get a further stimulus when the New York Stock Exchange introduces its installment-purchase plan Jan. 25. Hence, it is more important than ever for the life agent to know not only what a buyer loses in the way of settlement options by this program but also what he has to earn on his reserve fund in order to do as well as he would by buying permanent life insurance.

Opportunistically, this computation job has been done by Chairman M. Albert Linton of Provident Mutual Life and the figures were supplied by him in his talk on the investment aspect of life insurance given at the University of Chicago law school conference on insurance.

Mr. Linton first made this kind of computation in 1927, when interest rates were high. He did it again in 1936 and again in 1949. The results show that the rate that must be realized on the separate fund has fluctuated roughly with the rate of return on high grade bonds. Mr. Linton's figures as of 1954 show that it would take a net yield of 3.88% to enable the separate fund to duplicate the insurance cash value at age 65 of a whole life policy taken out at age 35 and carried to age 65.

This compares with a current yield on high grade long term bonds of 3.08%. In 1949 the separate fund would have needed to earn 3.34%, this being a period when high grade long term bonds were yielding 2.65%. The corresponding figures in 1936 were 4.35% and 3.34% while in 1927 they were 5.36% and 4.65%.

Similar computations to age 65 were made for ages 25, 45 and 55. At issue age 25 the needed yield on the separate fund in 1954 would be 3.84%, at age 45, 4% and age 55, 4.11%.

"These yields speak for themselves," said Mr. Linton. "They show that the net rates that would have to be earned by the separate fund are substantial. And they must be *net*, after all charges and taking into account all gains and losses."

Explaining the method of computation, Mr. Linton said that each year the amount assumed to be invested in the separate insurance-separate investment program is the amount called for under the whole life insurance program. Under the former, the current charge for the year's insurance is taken out of the current year's payment and the balance is assumed to be invested in a separate fund. What is sought is the net rate of return at which the separate fund must be invested to have it at age 65 exactly the amount of the guaranteed cash value under the life insurance policy.

In making the term insurance charge each year he used the lowest guaranteed one-year renewable term rates that could be found. As representative net costs for the whole-life policy the averages for 10 well known mutual life companies were used, assuming that their 1954 dividend scales would continue unchanged.

"In considering the separate investment program, investment trusts, or mutual funds as they are frequently

called, naturally come into the picture," said Mr. Linton. "These funds perform a useful service. They enable an in-

vestor to obtain a wide diversity of investment, both as to classes of investments as well as to investments within a given class. Some mutual funds own bonds and preferred stocks as well as common stocks. Some consist entirely of common stocks. There is a wide choice. If well run, with fair charges for administration and for the sale and purchase of securities, they

are worthy of an investor's confidence.

"However, mutual funds have certain limitations which an investor would do well to keep in mind. For one thing, a mutual fund would not dare to guarantee the value at which its shares could be sold or redeemed. What the investor can realize at any particular time, generally speaking, is his pro-

(CONTINUED ON PAGE 14)

"Can it really be proved that life insurance helps bring success?"



A joint comment of particular interest to younger men by

GILBERT C. SWANSON
and
W. CLARKE SWANSON

President and Executive Vice President,
C. A. Swanson and Sons
Omaha, Nebraska

IT is often said that the ownership of life insurance is a step toward success. Statistical proof of this would be hard to obtain.

"But we would say this. We have known very few successful men who do *not* own life insurance. And while this may not be in the nature of 'proof,' it certainly seems to indicate a common agreement that life insurance is essential.

"What do they find in life insurance? A way to create immediately a stronger sense of security for themselves and for their dependents. And a peace of mind that permits concentration, full and straight, on the making of a career... that helps bring success easier and earlier.

"It seems to us, therefore, that one of the very first and most important things a young man should do is begin a program of life insurance."

HOW THE NORTHWESTERN MUTUAL AGENT PREPARES TO SOLVE YOUR PROBLEMS

BY CHARACTER, ability, and training, Northwestern Mutual agents are well qualified. Many have earned the designation of Chartered Life Underwriter.

Why do they choose to represent this company? It is one of the world's largest, with over 95 years' experience, and accepts applications only through its own agents.

Because of its unique advantages, including low net cost, nearly half the new policies issued go to present policyholders.

For a sound review of your security plans, call a Northwestern Mutual agent.

NORTHWESTERN MUTUAL POLICYHOLDERS. Both W. Clarke Swanson (left) and his brother, Gilbert C. Swanson, have chosen The Northwestern Mutual to carry a major portion of their substantial programs of life insurance.

KARSH, OTTAWA

The NORTHWESTERN MUTUAL Life Insurance Company

MILWAUKEE, WISCONSIN

APPEARING IN: TIME, DECEMBER 21 AND JANUARY 4; IN NEWSWEEK, JANUARY 18 AND FEBRUARY 15

Unions Pledge Support of N. Y. Department's Welfare Fund Probe

NEW YORK—A number of labor union representatives, including a spokesman for the New York State Federation of Labor, AFL, conferred with Superintendent Bohlinger Wednesday in connection with the department's investigation of abuses in union welfare funds. After learning that Mr. Bohlinger is seeking facts and is not on a witch-hunt or punitive expedition, the labor leaders pledged their cooperation in the investigation and promised to instruct their respective locals to answer the department's comprehensive questionnaire.

Earlier, some unions had balked at cooperating in the investigation. Local 15 of the AFL bartenders union in New York City brought action to have the department's subpoena vacated. This action came up for hearing Wednesday but was adjourned to Jan. 25. In view of the conference with the superintendent, there were indications that the court action might be dropped.

Pille Tells Life Agents N. Y. Supervisor Unique

NEW YORK—The supervisor's job in New York City differs in some important respects from the same work in other places, even in other large cities, Richard E. Pille, Mutual Benefit Life's vice-president in charge of agencies, told the New York City Life Underwriters Assn. Mr. Pille was formerly a supervisor in New York, serving four years in that capacity with the Fraser agency of Connecticut Mutual.

Mostly the difference is an outgrowth of the number of people and the higher cost of living, he said. He mentioned that the supervisor in New York does not sell as much personal business as he would if located in a smaller place. This is no reflection on his ability but is due to the shortness of his available working time, which is, in turn, due to the time it takes to get to work and get home and the relatively short business hours that prospects keep.

Selling during evenings is fine in theory but there is a limit to what man's endurance—or his family—will take. The best answer to the personal selling problem is to sell one's friends, said Mr. Pille. All available props should be used, including direct mail, that will conserve time.

Mr. Pille advised supervisors to develop ability as closers, pointing out that "you can always get a shop of your own if you are a good closer."

The supervisor in New York has to be "a mighty good judge of men on the hoof" because friendships are more casual and it isn't usually possible to know as much about men in New York as in smaller places, said Mr. Pille.

The supervisor in New York doesn't do as much joint work as he would elsewhere, not because he isn't willing to but because it is less feasible. There are fewer evening calls. Insurance is bought more on a cost basis and less through emotional appeal. There is less policyholder service. The New York supervisor has to be better at getting producers to go out after business, whereas in other localities this can be done by promoting joint calls.

Contrasting the amount of time he had available as working hours when he was in Bridgeport as against when he worked in New York, Mr. Pille said the abbreviated working hours in

the big city put a tremendous premium on time and on making use of it through intelligent organization of work.

Nowhere else but in New York, said Mr. Pille, does the supervisor face such demands on his know-how—taxes, business insurance, estate matters, transfers. At the same time the agent has unparalleled access to information.

Despite the demand of the job, New York offers the compensation of making supervisor who works there feel that he is in the big league, Mr. Pille indicated. Though the pace is fast, the buying is faster, too. And, he observed, the oldest rule in any business is that the reward is commensurate with the difficulty of the job.

The meeting was conducted by A. W. Elsen, National of Vermont, association president.

State Farm Life Has 36% Sales Jump in '53

A 36% increase in life insurance during 1953 raised insurance in force of State Farm Life to the \$715 million mark. New paid-for life totaled \$187,599,000. The gain in insurance in force was \$143,958,000.

Northern California Congress Card Features Panel Discussions

Noted speakers were featured in the four panels at the 1954 Northern California Sales Congress staged Jan. 21 at San Francisco. Sponsors were San Francisco Life Underwriters Assn. and other smaller local groups in northern and central California.

Morton T. Utley, Penn Mutual at San Francisco, as the final speaker, summed up conclusions of the panels, and the other individual on the card was Robert C. Gilmore, Jr., agent at Bridgeport, Conn. for the Mutual Benefit Life and president of NALU.

Panel topics and participants were "Prospecting and Making the Approach", V. Webb Wiedemann, Equitable of Ia., moderator, and D. Paul Fansler, Bankers of Nebraska; James V. Lawry, Northwestern Mutual; and Arnold Pannella, Penn Mutual; "Making the Presentation", William R. Bills, Equitable Society, moderator, and Thomas A. Callahan and Robert L. Levein, both of Equitable Society; Jules L. Routbort, Penn Mutual; John Re-

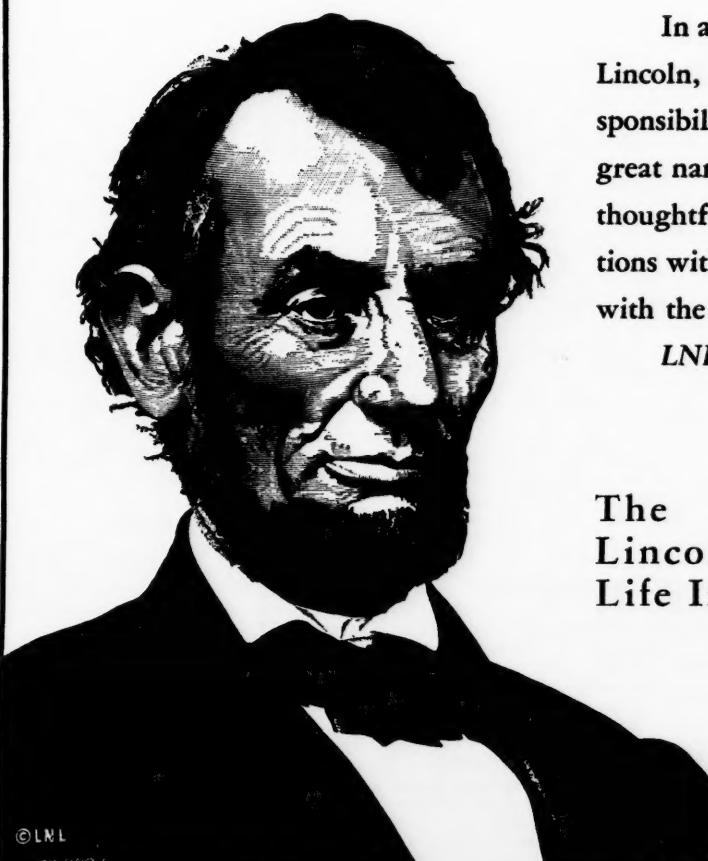
ginato, West Coast Life; "Closing the Sale", Hugh H. Davy, Home Life, moderator, and Gordon C. Maxon, Penn Mutual; Winston P. Woodman, Home Life; Eve Byron Wyatt, New York Life, and Jack A. Otere, Union Central.

Also, "We Do the Same Things More Often", comprised of Million Dollar Round Table members, Edward J. Mintz, New York Life, as moderator, and Edwin T. Golden, New York Life; R. Edwin Wood, Phoenix Mutual; Karl Bach, Penn Mutual, and Glenn Baker, Equitable of Iowa. Presiding at morning and afternoon sessions respectively were George C. Dankwerth, president of the San Francisco association, and Lou A. Schreppel, president of the Oakland-East Bay association.

Guaranty Union Open House Marks New Oakland Offices

Guaranty Union Life of California held an open house at Oakland to mark the opening of two agencies there. J. V. Stuart is manager of the industrial office, and Oren Bergen heads the ordinary operation. Among those attending was Ralph W. Smith, Sr., president.

Its Name Indicates Its Character



In adopting the name of Abraham Lincoln, this company assumed the responsibility of measuring up to that great name in character, integrity, and thoughtful, human service—in its relations with its representatives as well as with the public.

LNL is geared to help its field men.

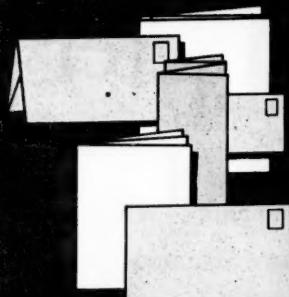
The
Lincoln National
Life Insurance Company

Fort Wayne, Indiana



Prospecting Aids

JAMES W. PERRY's unit produced 275% of paid premium quota in his first 23 months with Pacific Mutual as Agency Supervisor in Los Angeles. "It's prospecting that does it," says Jim, "and with P.M.'s co-ordinated prospecting helps, the hopper's always full at our office. The company's Direct Mail Plan gives us a constant flow of leads; and P.M. pre-approach techniques really soften up the tough cases."



Pacific Mutual

LIFE INSURANCE COMPANY

HOME OFFICE
LOS ANGELES, CALIFORNIA

OF THE
PACIFIC

1868

LIFE • ACCIDENT & HEALTH
RETIREMENT PLANS • GROUP

Oklahoma Court Ruling Challenges Commissioner's Policy Approval Powers

The decision of Judge Van Meter in Oklahoma county district court, in ruling for Universal L. & A. in a policy form suit brought against the insurance commissioner, has, in effect, challenged the discretionary authority of the commissioner in approving or disapproving policy forms.

Commissioner Dickey said the case would in all probability be appealed to the state supreme court.

The suit was brought by Universal to prevent the commissioner from disapproving a policy form submitted by that company. The commissioner had refused to approve the policy form because it did not make reference to the company's corporate nature, a mutual benefit company, and did not state the by-laws are part of the contract. The commissioner wanted language to that effect inserted in the policy form.

Judge Van Meter agreed with Universal's contention that Sec. 695 (d) of Title 36 authorized the writing of legal reserve insurance and the language to be used therefor, and that the company was only required to meet the requirements of that section as to what should be included in legal reserve policies issued by mutual benefit associations.

The judge held this precluded the insurance commissioner's requiring any additional language. He held also that in spite of the provisions of Sec. 694 (d), which states the members and their policies shall be governed by the by-laws of the association as they exist or may hereafter be amended, that the company could if it desired make a contract with members contrary to that section and in effect make the policy contract only subject to the policy form and the application, if any, attached thereto.

Commissioner Dickey, commenting after the decision was rendered, said, "Inasmuch as the statutes are not specific with respect to all of the detailed provisions necessary to insurance policy contracts, and customarily included therein, the question arises as to whether the commissioner has any authority to regulate policy details which are not specifically covered by the statutes."

The commissioner continued, "As I understand it, the decision removes the discretion which has heretofore and is elsewhere generally exercised by the insurance commissioner in the approval of policy forms, and limits his function to that of an administrative determination of whether policy forms include provisions which are specifically required by statute, and I therefore feel the question should be passed upon by the state's high tribunal."

Mark Golden Year in L. A.

Los Angeles Assn. of Life Underwriters started observance of its 50th anniversary with a luncheon Jan. 22, addressed by President Robert C. Gilmore of NALU. Feature of the meeting is presentation of the W. G. F. Ferrell achievement trophy, donated by Los Angeles Chamber of Commerce for presentation to a life insurance man who has rendered outstanding service to his community and the insurance business.

Jamestown Training Council Elects

T. Merrell Palmer, New York Life, was elected president of Jamestown, N. Y., Life Underwriter Training Council. Other officers are Lehman G. Peterson, Prudential, treasurer; and William J. Halla, Metropolitan Life, secretary.

26 at Hancock Agents' School

Twenty-six men, representing general agencies in 15 states and the district of Columbia, are attending a two-week course in the fundamentals of life insurance selling, at the John Han-

cock home office. It is designed for agents with a year or less of experience and covers a general review of rates, basic settlement options, sales talks, planning, records, and personal efficiency.

Name Richter to Direct K. of C. Agency Department

Joseph F. Richter has been appointed director of the agency department of Knights of Columbus.

Mr. Richter formerly was assistant superintendent of agencies and more recently director of new council development. He has more than 25 years' insurance experience, mostly in sales promotion and agency work.

Knights of Columbus is embarking on a new agency development program.

Imperial, Can., Changes

Imperial Life of Toronto has adopted a new dividend scale for policies now in force. This will distribute in 1954 about \$350,000 more than under the previous scale and will represent an increase of approximately 17%.

A new scale of premiums has been adopted for participating and non-participating policies. The new series will have generally lower premiums where the mortality element is strongest.

The company also has introduced three new participating plans, improved its commission scale and adopted new cash values.

Weisenfeld Wins Bowl

NEW YORK—Herbert Weisenfeld was awarded a Revere silver bowl by the Spaulder, Warshall and Schnur agency of Guardian Life in New York City in recognition of his 1953 production of more than \$1 million. President James A. McLain of Guardian made the presentation on behalf of the agency. Mr. Weisenfeld was one of the Guardian's leaders in A&H premiums.

Change Chicago Managers Date

The meeting of Life Agency Managers of Chicago, originally scheduled for January 21, was postponed to Feb. 19 to accommodate the speaker, John Barker, Jr., vice-president and general counsel of New England Mutual Life. Mr. Barker will talk on "Estate Planning for the General Agent and Manager".

N. Y. SBLI \$23,094,950 in '53

The total ordinary business of the New York state savings bank life insurance system for 1953 was \$23,094,950, up \$976,850.

The New Paltz Savings Bank has joined SBLI as an agency bank. It is the 67th bank to join the system. There are 40 issuing banks throughout the state and 27 agency banks.

Glicker Brokerage Head

The Campbell & Demarest agency of Manhattan Life in New York has named Jack B. Glicker brokerage supervisor. He started with Bleetstein agency of Equitable Society in New York in 1931 and subsequently was with Prudential there and with Phoenix Mutual in Brooklyn. He is a CLU.

Howard V. Quinn has been named manager of the insurance department of Warren H. Sexton & Co., Utica, N.Y. For 18 years he has been with Metropolitan Life, including nine years in Atlanta, where he was regional supervisor for group.

Suspend Westland Life for Disability in Cal.

Commissioner Maloney of California suspended the new disability writing privileges of Westland Life of San Francisco for five days starting Jan. 15 and the company's principal A&H producing unit, Radio Insurance Agencies, for 10 days. The company and agency were cited several months ago for alleged misrepresentation of its disability benefits by Commissioner Maloney in his campaign to "clean up" practices of a number of companies, including charges of fraud in selling methods and advertising claims.

Commissioner Maloney said Westland halted the practices as soon as it was informed they were questionable and that he was certain there was no definite intent on the part of the company to violate provisions of the code. Mr. Maloney said the company "pleaded guilty".

Commissioner Maloney, when questioned regarding the recent announcement of federal trade commission that it intended to investigate the practices of disability writing companies, especially as regards solicitation and advertising, said that an attorney from the San Francisco office of the FTC had called upon him, stating that she had been assigned the California phase of the investigation and requesting his assistance. Asked whether or not his department had anything to do with instigating the FTC action, Commissioner Maloney said "No, I do not know how it started."

Illinois Agents of N. W. M. Meet

Illinois Assn. of Northwestern Mutual Life Agents met at Springfield. The association is made up of general agencies in Peoria, Aurora, Belleville and Springfield.

• Earl L. Grigg is the new purchasing agent for Gibraltar Life.

Why AMERICAN MUTUAL LIFE IS A GOOD COMPANY TO REPRESENT

★ SALABLE MERCHANDISE

1. Policies from one day to 65.
2. Waiver of Premium plus Income Disability.
3. Non-medical up to \$5000.
4. Special Term Riders.

★ LIBERAL COMPENSATION

1. Career contracts available.
2. Special Brokerage contracts.
3. Persistency bonuses.
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★ A HELPING HAND

1. H. O. Training Schools.
2. Prize Winning Sales Aids.
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4. Production Clubs Conventions.

A General Agency Company

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Write H. S. McConachie
Vice Pres.

AMERICAN MUTUAL LIFE INSURANCE COMPANY

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Arizona Companies, Life Agents Reach Compromise in Insurance Code Feud

A compromise has been effected between Arizona Assn. of Life Underwriters and Arizona Assn. of Insurance Companies which has raised hopes of both organizations of getting the proposed Arizona insurance code through the next session of the legislature. Mediation in the dispute was furnished by Life Insurance Assn. of America and American Life Convention.

The two principal compromises deal with time limitations. One is concerned with inducements to purchase stock in insurance companies and the other with the sale of such stock. With regard to the first provision, the compromise stipulates that Arizona insurance companies may be allowed to offer to policyholders the right to exchange dividends or other policy values for stock in these companies provided that the policy which produces these dividends is converted into a permanent life form within six years after the date of issue. The other section declares, in effect, that corporation stock sales with an insurance feature, made by any other except an insurance company, may not take place after the proposed insurance code has been officially in force five years.

With regard to this latter provision, any stock contracted for in this manner may be delivered any time after the five-year limit, provided the stock-producing policies have been sold prior to the first five years of the existence of the code.

The agreement, signed by C. R. Iggoe, president of the life association, and Alfred I. Hanson, president of the companies' group, also pledged that both organizations would cease further circulation of petitions to the state legislature.

Dismiss Policyholders Suit Against Bankers Mutual

A policyholders' suit for an accounting against Bankers Mutual Life of Freeport, Ill., its defunct predecessor, Bankers Mutual Life Co., and the directors of both companies, has been dismissed by Circuit Judge Roeth in Knox county. No appeal was taken within the prescribed time limit.

Judge Roeth ruled: (1) that the court did not have jurisdiction of the subject matter of the case since such an accounting suit would interfere with the company's business, and this was prohibited by the insurance code; (2) that the suit could not be maintained against the predecessor company, which had been dissolved by the attorney general prior to the commencement of the action; and (3) that the suit could not be maintained against the individual defendants, none of whom resided in Knox county.

The policyholders' complaint was a class suit alleging that in the organization of the Bankers Mutual Life in 1948 and the reinsuring by it of the tabular business of the old Bankers Mutual, certain assets belonging to the non-tabular policyholders of the old company were illegally transferred to the new company. The complaint asked for an accounting of those assets and the profits therefrom, and that the amount so determined be returned to the old company for the benefit of its former policyholders.

Judge Roeth commented: "None of the plaintiffs seek the enforcement of the provisions of the reinsurance agreement entered into by the old and new companies but rather the relief sought is in part at least predicated upon a declaration that this contract is null and void. It is conceded by plaintiffs that the relief sought would not only require the individual defendants to return funds allegedly diverted to their own use but also would require an accounting by the new company, the

avoidance of the reinsurance contract and the return of assets acquired by the new company and profits on those assets, as a result of that contract.... A suit by policyholders to avoid contracts, the approval of which are within the jurisdiction of the director of insurance, constitutes an interference with the business of the company and comes within Section 201."

Attorneys for the defendants were Meyers & Matthias of Chicago.

Pan-American Has '53 Across-the-Board Gains

Pan-American Life had 1953 sales of more than \$111 million. Insurance in force now exceeds \$629 million, an increase of \$66 million.

Assets increased 10% to pass the \$146 million mark, and surplus increased 14% and now amounts to \$10,519,738.

December was one of the company's best production months, the paid-for total exceeding \$12,600,000.

Parsons, Monroe Partners

Stuart A. Monroe, Mutual Benefit Life's director of field supervision since 1952, will on Feb. 1 become co-general agent with Bruce Parsons at Chicago, the agency name being Parsons-Monroe.

Mr. Monroe was with Equitable Society at Detroit and in the home office agency department, later becoming assistant counsel and working with agents on business insurance, estate planning and pension problems. He became associate general agent of Mutual Benefit's Huber agency in New York City in 1949.



Stuart A. Monroe

R. P. Brooks Made V.P.

Robert P. Brooks has been elected a vice-president of National Bankers Life of Dallas and will be concerned principally with educational duties. He is the son of Pierce P. Brooks, president and founder of the company.

Robert Brooks has been with the company for seven years and has experience in all phases of its field operations.

Hear Gilmore at St. Paul

ST. PAUL—There is danger the social security reserve will get out of hand, with \$19 billion now in the fund and expected to go as high as \$50 billion, Robert C. Gilmore, Jr., president of National Assn. of Life Underwriters, told members of the Minnesota association at a luncheon here.

"We acknowledge that the government has the obligation to provide social security for its citizens," Mr. Gilmore said, "but it should be on a pay-as-you-go basis. There is no need of so great a reserve although I believe there should be a contingency reserve. Social security is not insurance. There is no contract between the government and those who get social security benefits. If it gets out of hand it could do serious harm to the individual's desire and initiative to build other savings, like insurance and bank accounts."

To Install at N. Y.

The A & H Club of New York will install new officers at the Jan. 26 dinner meeting and will hear J. F. Follman, Jr., manager of Bureau of A & H Underwriters. New officers are Arnold W. Danckwerth, Mutual Benefit, president; George F. Monks, New York Life, Alfred H. Clarkson, Royal Liverpool, and Fred W. Bumby, W. L. Per-

rin & Son, vice-presidents; Andrew G. Borden, Metropolitan Life, treasurer; Edmund S. Flyntz, Metropolitan Life, assistant treasurer; Edward E. Anderson, Commercial Travelers of Utica, secretary, and Kenneth J. MacDonald, Maryland Casualty, assistant secretary.

Meeting notice is now being combined with a newsletter to provide new members with current activities of the club. Harold M. George, U. S. F. & G., is chairman of publicity and handles the publication.

Dallager to Homesteaders

Homesteaders Life of Iowa has appointed A. L. Dallager general agent at Des Moines. His territory will include the entire state.

Mr. Dallager entered insurance with Equitable Life of Iowa in 1941 and for the past seven years has been Iowa manager for American National.

Earls Brothers Misidentified

The pictures of T. W. Earls and J. V. Earls had transposed identifications in the announcement of their appointment as general agents of Manhattan Life at Cincinnati in THE NATIONAL UNDERWRITER for Jan. 15.

N. Y. Life Breaks Record: Sales Exceed \$1 Billion

A record-breaking sales volume of \$1,066,118,200 of individual life insurance in 1953, an increase of 13.4%, was reported by New York Life.

In only one other year, 1950, had the company exceeded the billion dollar mark. Individual A&H premiums in 1953 totalled \$1,736,900, up 49%. Group sales represented \$9,508,290 in annual premiums under 535 group life and 596 group A&H contracts. New York Life entered A&H and group in 1951.

Host CLU's at Milwaukee

Members of Milwaukee CLU chapter will guests at a dinner meeting staged in their honor by Milwaukee Assn. of Life Underwriters.

Raymond C. Johnson, vice-president of New York Life in charge of agency administration, spoke on "Keep on Growing". He also presented CLU diplomas to several agents who recently passed the examinations.

Plan Central N.M. Congress

Central New Mexico Life Underwriters Assn. will hold its annual sales congress Feb. 27 at Albuquerque.

head in clouds
feet on ground



Ok, we'll admit it: we've got our head in the clouds. Call us idealists, if you will, but we believe that only quality business is worth going after. Only quality business gives the policyholder his money's worth, makes a living for the underwriter, builds a sound volume for the home office. Judging by American United Life's sales records, this ideal is paying off in a big way.

But that's only half the reason for success. American United also manages to keep its feet firmly planted on the ground. Its sales tools, sales training programs and technical advice are geared to individuals with a view to making the most of each man's own abilities.

American United's ideal size makes all this possible: being big enough to be big* and yet small enough to retain the all-important personal touch.

*Assets over \$100 millions, insurance in force over \$550 millions



AMERICAN UNITED LIFE INSURANCE COMPANY
Home Office, Fall Creek Parkway at Meridian Street
Indianapolis, Indiana

CHANGES

Becker Takes Cleveland Post for Loyal Protective

Earl R. Becker has been appointed general agent at Cleveland for Loyal Protective Life. He succeeds Lyle Rockwood who is remaining with the agency in personal production.

Mr. Becker joined the company's home office about a year ago and has been serving as a field supervisor for the eastern division. Before that he was with Massachusetts Protective and Paul Revere Life at Columbus, O.

Maffett, Glasgow in Conn.

Mutual Agency Shifts

Norris Maffett has been appointed a general agent for Connecticut Mutual at Philadelphia to head the agency formerly directed by the late Vernon S. Mollenauer.

Wayne B. Glasgow has been named

general agent at Nashville, where Mr. Maffett has been general agent since 1946. Both appointments are effective Feb. 1.

Mr. Maffett has been in life insurance since 1934. He joined Connecticut



Norris Maffett



W. B. Glasgow

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—
LIFE EDITION

Want to be a Life General Agent?

Opportunities in Mississippi, Arkansas and Kentucky (some personal-producing general agent openings.) Top commissions. Extensive line with unique policies and attractive savings plan. Set-up ideal for experienced agents who can sell and want their own agency. Old line mutual legal reserve company. Our men know of this ad. Write Box V-44, The National Underwriter, 175 W. Jackson, Chicago 4, Ill.



Arnold A. Reid

GROUP SUPERVISOR

Permanent career position in leading National organization as Group Insurance Supervisor for young man with several years Group experience, preferably in California. Splendid opportunity leading to progressive career in sales work and management for candidate with intelligence and aptitude for quality selling. Age 24-32. Write Box W-21, The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Ill.

ACTUARY AVAILABLE

Associate, society of actuaries, with well rounded life insurance company background, and broad experience in pension consulting field desires responsible position. Address W-27, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ATTENTION AGENCY V. P.

3 agents in Indianapolis territory, 12 years life insurance experience, seek General Agency contract. Now producing in excess of \$800,000 annually. Prefer company with disability coverage (not A. & H.) Write Box W-24, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL OPENING

MAN—Actuarial training and some experience. Life, Health and Accident Company—Chicago area. Replying please state age, qualifications, starting salary. Replies held in strict confidence. Write W-20, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LOGDE ORGANIZER

Legal Reserve Fraternal Insurance Company, located in the southwest wants man who can do a fast competent job in organizing and developing lodges—wonderful future. Please give brief résumé of experience. Box W-31, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Reid Denver General Agent for Washington National

Washington National has appointed Arnold A. Reid general agent at Denver with offices at 1460 Corona street.

Mr. Reid formerly was assistant general agent at Denver for Lincoln National Life. Before that he was an agent for Security Mutual Life and also Bankers Life of Nebraska.

Lee Clark Mutual Benefit Manager at Harrisburg

Lee Clark, who has been with Bankers Life of Iowa as manager at Harrisburg, Pa., has been appointed general agent of the Harrisburg agency of Mutual Benefit Life. He joined Bankers Life in 1938 in West Virginia, going to Harrisburg in 1947 as manager. He is president of Harrisburg Life Underwriters Assn. and past president of Harrisburg General Agents & Managers Assn.

Great-West Raises Callahan

Great-West Life has appointed W. J. Callahan, Jr., group supervisor in Washington and Oregon. He will have headquarters in Seattle and will work with branch managers in Seattle, Spokane and Portland. He entered the business in 1948 and joined Great-West Life as assistant group supervisor at Detroit in 1951.

Husid Now General Agent

United States Life has appointed J. Stanley Husid as general agent in Trenton, N. J. He placed among the company's top 10 personal producers in life insurance for 1953. Since 1951, when he joined U. S. Life, he had managed the branch office in Trenton. Prior to 1951 he was an agent for Manhattan Life and for Equitable Society.

Thomas, Hamm in New Posts

Prudential has transferred district manager Alvin E. Thomas from San Mateo, Cal., to Oakland, and has appointed Harold D. Hamm manager of a new district at Salem, Ore.

Mr. Thomas began with Prudential in 1928 at Omaha, advancing to staff manager there three years later. He served as manager at Pueblo, Col.,

and Long Beach, Cal., before going to San Mateo.

Mr. Hamm joined Prudential in 1941 in Vallejo, Cal., and since 1949 has been staff manager at Columbia, Ore. He is president of Vancouver Assn. of Life Underwriters.

Indianapolis Life Names L. P. Baird General Agent

Lewis P. Baird has been appointed general agent at Indianapolis for Indianapolis Life, succeeding J. Howard Ardrey, Jr., who has resigned to devote his time to personal production. Mr. Baird entered the business in 1948 and is a second world and Korean war veteran.

Pioneer, N. D., Names Two

Pioneer Mutual Life of North Dakota has appointed two general agents, Victor B. Isaak at Spokane and Kenneth H. Putney at Seattle.

Mr. Isaak formerly was with American National, and Mr. Putney, a veteran of the last war, formerly was with Pacific Mutual Life.

Opens Agency at El Paso

New York Life has opened a new branch at El Paso, Tex., with Joseph C. Ledgerwood as manager. The company now has five branches in the state. The El Paso branch will serve 17 southwest Texas counties.

Mr. Ledgerwood has been associate manager for New York Life at Albuquerque since 1952. Before that he was an agent at St. Paul and Omaha, and in 1948 went to Wichita as manager. Lindsey S. Boone is cashier.



J. C. Ledgerwood

Thompson Seattle Manager

James A. Thompson has been appointed manager at Seattle by Northern Life of Washington. He is an air corps veteran, and has been in the business for some time.

Brooks Heads New Ia. Agency

Prudential has opened a new sales office at Mason City, Ia., under the direction of Lester J. Brooks. The office will be a branch of the company's Des Moines agency and will service 19 counties in north central Iowa.

Mr. Brooks has headed the Sioux City branch since 1946. He joined Prudential in 1936, advancing to assistant manager in 1942.

Named Field Supervisor

George A. Warner has been named mortgage loan field supervisor in Indiana for American United Life, succeeding Edmund W. Genier, who will open a mortgage loan branch in Memphis. Mr. Warner has been with the company since 1952.

• Raymond J. Mendelsohn has been named supervisor of the Specht agency at New York City of Security Mutual Life of Binghamton. He will service brokers in the Long Island territory.

• The Trenton, N. J., branch of New York Life is moving to larger offices at 15 West Front street. Clifford W. Becker, with the company since 1922, is Trenton manager.

COMPANY MEN

C. W. Wilkins Appointed Pacific National V-P

Pacific National Life has elected C. W. Wilkins vice-president. It also has named Burt Coleman, rancher and sheep man at Heber, Utah, to the board.

Mr. Wilkins practiced law at Twin Falls, Idaho, before joining the Salt Lake City law firm now known as Marr, Wilkins & Cannon and which served as general counsel for Pacific National for more than 22 years.

Mr. Wilkins was made a member of the executive committee in 1950, and elected a director in 1951.



C. W. Wilkins

Raises Four at Home Office

Pacific Mutual Life has made four home office promotions. A. N. Culling, manager of the renewal department, becomes director of policyholders' services, a new position entailing administration over both the renewal and policy payments departments. He has been with the company since 1930 and an assistant secretary since 1951.

E. Eugene Brown, with the company for 30 years, is advanced from assistant to manager of the renewal department. Richard D. Dotts, formerly manager of policy payments, has been named manager of the planning and coordinating department. He has been with Pacific Mutual for 14 years. New manager of the policy payments department is Eric Ledger, who joined Pacific Mutual a year ago after 26 years with Sovereign Life of Canada.

Wood Goes With Magnolia

C. E. Wood, formerly agency director of Great Western Life at San Antonio, has joined Magnolia Life in a similar capacity.

A 21-year insurance veteran, Mr. Wood started with American National at San Antonio and two years later went with Great American Life. He served that company, now merged with Franklin Life, as an agent, staff manager, district manager and state supervisor in Texas.

Herbert F. Payne Retires

Herbert F. Payne, Massachusetts Mutual cashier since 1932, has retired after 46 years of service. He joined the mailing department in 1907, was transferred to the cashier's department in 1920 and a year later was made assistant cashier.

Dunbar Raises Haynes

Dunbar Life has named Wendell O. Haynes vice-president and director of agencies. For the last two years Mr. Haynes has been assistant director of agencies. He started in the business with Universal Life at Memphis.

Dunbar has a new policy in the form of an industrial 20-year endowment that may be sold in multiples of \$250 up to \$3,000.

N. W. Natl. Names Two to Board

Northwestern National Life has elected Totten P. Heffelfinger, president of Van Dusen-Harrington Co., and Alfred M. Wilson, executive vice-president of Minneapolis-Honeywell Regulator Co., to its board. They succeed Frank T. Heffelfinger and Thomas F. Wallace, directors for 25 and 30 years, respectively.

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Service, Indemnity Both Get Equal Treatment

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necessary admissions to hospitals and reducing unnecessary use of hospital beds prior to treatment. The commission suggests prompt discharge of patients after medical need no longer exists and the curtailment of unnecessary use of hospital beds for diagnostic and other services which can be given on an ambulatory basis, as effective ways to reduce the cost to the public of prepaid hospital care. To effect the latter procedure, hospitals are asked to encourage the inclusion of out-patient service in prepayment contracts.

To accomplish the three objectives of maximum population coverage, broad benefit provisions, and lowest possible cost of prepayment, the commission recommends also the developing of methods to enroll those not now covered by prepayment in sufficient numbers, such as uncovered dependents of insured, the self-employed, farm operators and their employees, employees of small firms, employees retired under pension plans, employees temporarily out of work, domestic employees, migratory workers, and persons receiving workmen's compensation benefits.

Also recommended are encouragement of employer participation in prepayment plans, and exploration of methods for covering individuals and families by prepayment during temporary unemployment and during prolonged disability.

Low-income families should be encouraged to budget through prepayment for the cost of adequate protection, rather than to purchase inadequate benefits or rely on public funds for payment of care at the time of hospitalization, the report says, adding, "Experimental programs should be instituted to reduce the cost of prepayment to bring protection within reach of this group. Tax funds may be required for such experimental projects."

The report says that particular attention should be given to reduction of the multiplicity of benefit patterns to a much smaller number than is now found in most communities; extension of the scope of benefits so as to obviate the necessity for purchasing duplicate hospitalization protection; description of benefit provisions in non-technical language so as to enable people to select intelligently the most satisfactory prepayment plan for their purposes; elimination of unnecessary or trivial special benefits which tend to obscure the real nature of the contract and fail to indicate serious deficiencies and limitations of the essential benefit provisions; removal of benefit limitations which seemed necessary when prepayment was in a more experimental stage but which experience has demonstrated to be unnecessary; inclusion of benefit provisions which have been shown by experience to be practical or which have become necessary because of the development of modern hospital services; and integration of hospital protection with medical-surgical protection when both are purchased, so as to eliminate duplication of benefit provisions.

One of the recommendations is to improve the efficiency in operation of the prepayment agency, and "reduce to a minimum the share of the public's prepayment dollar which is not paid

for hospital services but is used in unwarranted amounts for sales promotion, administration, and other overhead expenses of the prepayment agency."

There is a sizable section in the report devoted to financing medical care for non-wage and low income groups. In objecting to the recommendation that OASI be extended to needy beneficiaries of that system, Mr. Faulkner said he was doing so for the following principal reasons:

1. If the means test is to be used to establish need for financing hospital protection for OASI beneficiaries, the proposal is unlikely of enactment because of congressional disinclination to include any means test in the OASI system. On the other hand, if the means test is not included, many OASI beneficiaries who do not need help to finance hospital care will receive an unneeded subsidy from the taxpayer. Should the means test be included, it is contended that it would be more efficient and economical for government to pay the costs of hospital care for such recipients directly rather than incorporating it in the OASI mechanism.

2. If the government, through OASI, subsidizes hospital care for OASI beneficiaries, precedent will have been established for similar subsidization of all health care costs, leading directly to socialized medicine.

3. It is particularly unwise to extend OASI benefits into any new fields at this time in view of the need for radical corrective measures to OASI itself, to prevent social security costs from becoming ultimately a crushing burden on our economy.

Besides Mr. Faulkner, insurance company executives who are members of the commission include C. Manton Eddy, vice-president and secretary of Connecticut General Life, and Edmund Fitzgerald, president of Northwestern Mutual Life. Henry S. Beers, vice-president of Aetna Life, was consultant to the commission's committee on prepayment plans, and Edmund B. Whitaker, vice-president of Prudential, was consultant to the committee on non-wage and low income groups.

Insurance in U.S. Seen to Be Too Over-Regulated

(CONTINUED FROM PAGE 2)

he said the attempt for more standardization is one of the most stifling things that can be done in the case of some coverages. For example, he said standardization of comprehensive general liability forms would defeat the purpose of the coverage and stunt its growth. Policy forms current today have been greatly broadened over the years, something the speaker says he doesn't think would have occurred had it been necessary to obtain concurrent approval from the 52 supervisory jurisdictions. New hazards are constantly developing, he pointed out, and insurance must be sufficiently elastic to meet them. He said he doesn't believe it can be done where approval must be obtained from 52 governing bodies.

Mr. Donovan also discussed what he considers the four clauses that probably cause more litigation than all others combined. He listed these as the phrase "caused by accident" and those dealing with loading and unloading and care, custody and control.

Pointing out that securities of business and industry account for 41% of the \$78 billion assets of life insur-

ers, Mr. Day said greater flexibility of blanket in some 4½ million persons investment laws had brought about a considerable shift in the amount of assets in government securities, this medium dropping from 46% to 12½% in the past eight years.

Turning to the availability of life insurance funds for financing small businesses, Mr. Day said companies do not have the facilities in local communities for making the necessary investigation of the risk on an economical basis.

An answer to this, suggested by Metropolitan, is the plan under which small business loans would be referred to the local banks, where the insurance company would carry 90% of the loan and the bank 10%, he said.

Mr. Rodgers in his talk expanded on Metropolitan's plan for making loans available to small businesses.

Mr. Day said insurers have taken advantage of increased flexibility in investment laws to purchase additional business and industrial securities. Such securities, accounting for less than 25% of the assets of life companies eight years ago, now amount to 41%.

A big problem in connection with common stock investments by life companies, according to Mr. Day, is the valuation of assets of these companies. In view of the huge reserves, the big companies do not have large surpluses on their balance sheets in relation to their total funds. If life insurers had a large proportion of their funds in such a volatile security as common stocks, a severe market drop—not in fact reflecting the true intrinsic value of the particular stocks—could have a disastrous effect.

Mr. Rodgers discussed various phases of life insurance investments, including particularly its several housing projects, corporate securities, business development loans and railroad and oil and gas production loans.

Mr. Stark mentioned the U. S. Chamber of Commerce proposal to developed.

ers, Mr. Day said greater flexibility of blanket in some 4½ million persons not now covered under social security so they will receive minimum non-contributory benefits. The cost would be assessed to payroll taxes. He said this would mean another substantial departure from the insurance approach of social security.

Many persons defend the insurance aspects of OASI on the ground that it accords with the American tradition of self-reliance, he said. Each worker owns his own benefits, in a sense, he said, adding that the program is self-financed through payroll taxes, and its finances are maintained separate from the general accounts of the government.

Ike's Message Gives No Reinsurance Plan Details

(CONTINUED FROM PAGE 1)

out a joint statement in response to inquiries regarding the President's message on the nation's health. It points out that since the structure and details of the health reinsurance system he proposed have not yet been announced it is not yet possible to "gauge with assurance the workability of such a plan," but adds that "we are in full accord with the government's desire to improve further the nation's health care."

"We look with interest on plans capable of achieving this objective through the encouragement of voluntary insurance programs," the statement continues. "As the President pointed out, the government need not and should not go into the insurance business to furnish the protection which profit and non-profit organizations do now provide. We welcome the President's suggestion that voluntary health insurers work with the government in studying the feasibility of plans by which even better voluntary health insurance protection for the public than now exists might be developed."



Bill Nalac's CORNER

"Talking about plans for the new year, our boss had a good idea for us. He said if we hadn't figured out at least one good way in which we were going to do things differently in '54, it was a sign we were in a rut."

"Reminds me of the fellow who went fishing in a lake where there were no fish. When someone told him there were no fish in the lake, he said he knew but it was so blamed handy."

"Guess habits are like that. They get awfully comfortable. To part with them is like pulling teeth."

"Anyway no one can say our fellows were in a rut last year. They tell me our top 50 men made on the average 18% more money than the year before. I'd say that's a mighty good record, wouldn't you?"

HOME OFFICE:
MINNEAPOLIS, MINNESOTA
H. P. SKOGlund J. E. SCHOLEFIELD, C.L.U.
President ★ Vice President—Director
of Agencies



LIFE • ACCIDENT • SICKNESS • HOSPITAL • GROUP

EDITORIAL COMMENT

Guidebook to Some Important Attitudes

The report of the commission on financing of hospital care is well worth careful study by those who are interested in making use of considered and constructive criticisms and suggestions in their efforts to evolve insurance plans that will be equal to the job of discouraging government entry into this field.

The report represents a composite of many viewpoints—so many, in fact, that it is remarkable that the commission was able to come up with as many specific conclusions as it did. The insurers don't come off scot-free in the matter of criticism but neither do the hospitals nor the doctors.

One of the biggest reasons for studying this report is that it will be read by a lot of people who influence opinion-forming in the hospital care field. It is on this type of material that important attitudes are built that can have a vital influence on the course of hospital and medical care insurance in this country. Forewarned is forearmed and a good way to be both is to read this report.

The report in its present summary form runs 79 typewritten pages plus a 10-page preface by the chairman, President Gordon Gray of University

of North Carolina and former Secretary of the Army. Later this year the complete report will be published in four volumes. These will be titled *Recommendations, Prepayment and the Community, Financing Hospital Care for Non-Wage and Low Income Groups, and Factors Affecting the Costs of Hospital Care*. They will be published by the Blakiston Co., New York City.

Despite the temperate tone of the criticisms of present insurance plans, anyone reading the report should remember that it is a composite viewpoint that is being expressed and that any criticisms of present systems could and doubtless would be amplified and made a lot tougher if the restraining influences were removed from the more vehement of the critics. So the fact that the report's criticisms may seem to be pretty well sugar-coated should not mislead anybody into underestimating the vigor of those who would like to see a socialistic type of plan adopted that would freeze the regular insurers out completely. Any criticisms in the report should be regarded merely as starting points for those who are really out to knife the insurance business.

PERSONAL SIDE OF THE BUSINESS

A. D. Harder, vice-president and controller, Southwestern Life, will preside at the session on electronic accounting at the southern regional conference of Controllers Institute of America, Feb. 19-20 at New Orleans.

Henry E. Niles, vice-president of Baltimore Life, is back at his office after spending a year in India as deputy director of the U. S. technical cooperation administration mission there. Mr. Niles made his headquarters at New Delhi, and in the course of his work traveled more than 20,000 miles throughout India.

Gerhard D. Bleicken, 2nd vice-president of John Hancock Mutual, has been elected a member of the American Law Institute, which has as its objective the clarification and simplification of the common law of the United States.

James P. Fordyce, chairman of Manhattan Life, is on a three-week western trip which will include Los Angeles, Phoenix and Tucson. While in Los Angeles, he will visit the company's

agency offices in that area. He will fly to Phoenix and later to Tucson, spending a week in each on the first agency trip to that state since the company entered it recently.

Mike Barron, manager at Bryan, Tex., for Great National Life, who served as vice-president of the Bryan Chamber of Commerce during the past year, was recently installed as president of the chamber.

D. Budd, president of Southwest Reserve Life, has been reelected president of Longview, Tex., Chamber of Commerce.

Pat M. Greenwood, president of Great Southern Life, has been elected a director of City National Bank of Houston.

Luke E. Hart, first Missourian to hold the office of supreme knight of the Knights of Columbus, will be given a testimonial dinner Feb. 14. Mr. Hart, an attorney, took over the top KC post in August, 1953, after serving as its supreme advocate for 31 years.

Some 1,000 persons, including the Knights of Columbus supreme board of directors are expected to attend the affair.

Edmond F. Karam, supervisor of sales promotion United States Life, is recovering at his home after an illness of several weeks.

George B. Gose, vice-president and general counsel of Pacific Mutual Life, has been elected a director of Los Angeles Chamber of Commerce.

R. Roy Casey, general agent more than nine years at Albany for National Life of Vermont, was honored by agency personnel at a luncheon there. Mr. Casey resigned Dec. 1 to devote full time to personal production.

Seymour Block of the Lee Nashem agency of Mutual Benefit Life in New York City, has won the "distinguished salesman award" of the Sales Executive Club of New York.

W. H. Andrews, Jr., manager of the Greensboro office of Jefferson Standard, has been reappointed to the North Carolina Insurance Advisory Board.

DEATHS

ROBERT F. PELOUZE, Fresno manager for West Coast Life and president of Central California Life Managers & General Agents Assn., died following a long illness. He had been with the company since 1942.

WALTER H. BROWN, 69, manager of the Cleveland ordinary agency of Prudential for 40 years, died at St. Vincent hospital. He had been hospitalized after suffering a heart attack at his office. Mr. Brown began in insurance with his father, John Brown, at Cincinnati, and managed the Prudential office there before going to Cleveland in 1913. He was president of Cleveland Life Underwriters Assn. in 1921-22.

J. WALLACE BLUNT, former agency manager for Monarch Life of Massachusetts and prominent nationally in the A&H field, died at Clearwater, Fla., where he had been spending the winter as was his custom since retiring in 1946. Mr. Blunt joined the company in 1924 as agency superintendent and became 2nd vice-president and agency manager in 1929. He was elected a director in 1934.

B. R. NUESKE, 84, actuary for 58 years when he retired in 1952, died at Chicago. From 1944 until his retirement Mr. Nueske did actuarial work for Bankers Life & Casualty. Born in Germany, he came to this country from the Berlin branch of Germania Co., now Guardian Life of New York, in 1893. He had held actuarial and executive positions with numerous com-

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panies, including Franklin Life, and also was president of the now defunct Old Colony Life of Chicago. One of the actuarial innovations attributed to Mr. Nueske was the introduction of ordinary life for children with or without payor insurance.

MILTON M. CHAMBERS, 77, agent for Franklin Life at Grand Rapids for 10 years, died in Butterworth hospital there after a brief illness.

HUBERT B. BELVIN, controller of Home Security Life of Durham, N. C., died.

N. W. National's Statement Shows Good 1953 Results

New business totalling \$119,145,000 and insurance in force of \$1,172,110,000 as of Dec. 31, was recorded by Northwestern National Life. Assets totalled \$246,202,329, compared with \$229,791,725 a year ago. Voluntary contingency reserves and other surplus items amounted to \$13,216,222, up from \$12,565,785 as of the previous year-end.

Nearly two-thirds of the \$16,048,281 in benefits paid during 1953 went to living policyholders. Death benefits amounted to \$6,607,721; payments to living policyholders amounted to \$9,440,560; of the latter amount \$3,468,761 was paid out in matured endowments and annuity benefits.

More mortgage loans were made than in any previous year, bringing total mortgage holdings to \$77,053,826, compared with \$66,187,262 the previous year-end. Other major holdings consist of U. S. government bonds, \$46,343,181; public utility bonds, \$46,832,674; industrial bonds, \$21,766,871; loans to policyholders, \$10,579,991.

Continental Assurance's 'Mid-winter' Jan. 28-29

The annual mid-winter conference of Continental Assurance's General Agents & Managers Assn. will be held at the Drake hotel, Chicago, Jan. 28-29. The meeting of the association's directors the morning of the 28th will be followed by the general business session and election of officers.

A "table-hopping" session, an innovation to be introduced this year, calls for a series of five large conference tables, each headed by a panel of field and home office people, who will conduct brief sessions on assigned topics. To be considered are business insurance, underwriting, group and special plans, non-can A&H, and promotion of brokerage business.

Among individual speakers will be Roy Tuchbreiter, president; Howard C. Reeder, executive vice-president; Boyd M. Everett, vice-president; Samuel D. Rosan, general agent at New York City; and William D. Kerr of the home office staff.

Marshall B. Simms, superintendent of agencies, will present agency awards for 1953, and Dwight G. Johnson, general agent at Philadelphia, will introduce a new brokerage manual. Guest speaker Robert Crichton, counsel of American Life Convention, will discuss "The Washington Scene."

NATIONAL UNDERWRITER

—Life Insurance Edition

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Group Twisting Charges Levelled in Wisconsin

A new form of twisting, which could be called milking the farmers in their own dairies, has been charged against three Madison, Wis., group agents.

According to the complaints, which prompted a hearing before Commissioner Lange of the Wisconsin department, the agents sold some 1,200 policies to farmers last year, then switched their company affiliations and persuaded the insured to take out new policies with the second company. Cited in the complaint as the original employer of the agents was Business Men's Assurance. It is charged that the agents, upon transferring to Federal Life of Chicago, represented to the farmers that B.M.A. was going out of business and persuaded some of their clients to transfer their accounts to Federal Life.

Following a method relatively new in Wisconsin, the agents solicited in individual dairy plants, arranging check-offs from milk payments for the premiums. The complaint showed considerable activity along these lines in southern Wisconsin, although the method is comparatively unknown in the northern part of the state.

According to testimony submitted this far, the three agents, not identified in the petition, in a period of 45 days transferred contracts with annual premiums amounting to \$120,000.

Mr. Lange pointed out that one of the tangent dangers of this practice is that frequent transfers of contracts from company to company bring about uncommonly high acquisition costs and ultimately will result in necessary increases in insurance rates. The three agents will appear again at a hearing Jan. 25, Mr. Lange said.

Mutual Benefit Ups Seven at Home Office

Mutual Benefit Life has made these home office changes. Charles W. Kappes, Jr., assistant counsel, becomes associate counsel and an executive officer. He formerly was in private law practice in Newark and is an army veteran. James C. Wiggins, attorney and administrator of employee benefit plans, becomes assistant counsel. H. Douglas Palmer, director of training,

becomes director of agency administration. He was an agent in Flint and a supervisor there and in Philadelphia before going to the home office in 1948.

Wilbur E. Hintz, assistant to the director of agency personnel since 1952 and before that with the Detroit agency, was named director of field supervision. Francis L. Murden, who has been with the company since 1922 except for war service, becomes assistant manager of the renewal department. Kenneth Patton, with the company since 1929, was appointed mathematics assistant, and Robert H. Stevens, with the company since 1945 at Washington and in the home office as a training assistant, becomes director of field supervision.

Equitable Agencies Merged

Equitable Society has merged the E. P. Steel agency at Trenton with the Dickenson agency at Philadelphia, of which it was a part until a year ago. Mr. Steel has joined the Dickenson office. The Allentown, Pa., agency under C. W. Schucke has been merged with the Taft Woody agency at Harrisburg. Mr. Schucke will continue with the enlarged Harrisburg agency. The Camden, N. J., district has been transferred to the Jenkins agency of Philadelphia.

Waller Succeeds Quarles

Guardian Life has appointed Robert E. Waller as manager at Richmond. He entered life insurance in 1943 and has had both sales and supervisory experience in Richmond. He succeeds Robert P. Quarles, who has been with Guardian in Richmond 31 years. Mr. Quarles, who became manager of the agency in 1949, asked to be relieved of managerial duties. He will continue as associate manager and devote most of his time to his personal clients.

Western, Mo., 60 Years Old

Western Life of St. Louis celebrated its 60th anniversary at an open house and dinner there. Principal speakers were President Harris G. Beedle, who has held that post since 1907, and Carlton G. Haizlip, secretary of the company since its organization.

Lincoln Income Pays Extra

Lincoln Income Life of Louisville has declared its regular dividend of 30 cents plus an extra of 15 cents per share, payable Jan. 18 to stock of record Jan. 13. This is the highest cash dividend in the company's history.

N. Y. Dept. Issues Guide on Individual, Blanket A&H Forms and Rates

NEW YORK—The insurance department has issued a guide for filing individual and blanket A&H forms and rates. This is the department move which Deputy Superintendent Joseph Murphy has been discussing with representatives of the business for some time.

Every policy form and rider or endorsement affecting the premium rate or coverage shall be submitted for approval, and shall be accompanied by the rate schedule in duplicate, separate from a letter of submission.

The schedule of rates shall show up the policy fee or rate changes at renewal, if any, and variations, if any, based on age, sex, occupation, or other classifications.

Except as modified from time to time to provide more expeditious transaction of the processing of policy forms, rate filings shall be accompanied by anticipated loss ratios.

The insurer may at its option include its experience or judgment in adapting for its use the particular statistics, experience, formula or factors involved in calculating rates and may at its option include the experience of other insurers, unusual expense factors, special reserves or other relevant information.

Revisions of rate filings shall be accompanied by a statement of the reason, experience on the form and other relevant information.

Attention of insurer is called to the desirability of maintaining adequate statistics to enable it to explain variations in its experience.

Policy forms may be submitted for okay either after or without a preliminary review of the matter with the department. The form is to be accompanied by the letter of submission which shall include, among other things, the coverage provided if it is a new form, or if it is intended to supersede an approved form, an outline of rules as to limits, age, amounts and classifications of eligible risks. Riders or endorsements shall have the form numbers, identifying symbols or types of policies with which it is to be used.

Policy form means any policy of individual A&S as defined in Section

164 of the insurance law, blanket A&H as defined in Section 222, noncancelable disability insurance to which Section 164 is applicable, any certificate used in connection with blanket A&H, any rider, endorsement, insert policy or copy of application which is to be attached to or printed or stamped on or inserted in and made a part of any such policy, and any application used in connection with any such policy when attached to it.

Insurer is to file two printers proofs of the policy form for preliminary review, or this may be in typed form. It is not for use generally.

New Tex. Life Company Names Slate of Officers

The newly organized Petroleum State Ins. Co. of Beaumont, Tex., has begun operations there.

The president is Herbert Lass, H. J. LeBlanc, vice-president; A. W. Tatum, secretary; D. X. Reinstra, treasurer; Dr. C. H. Todd, medical director; Dr. John A. Hart, assistant medical director, G. M. McDaniel, assistant secretary, and Inez Crown office manager.

McGlamery Joins Schenck

William B. McGlamery, former North Carolina general agent for State Mutual Life, has joined the Schenck agency of Provident Mutual Life at Philadelphia. Mr. McGlamery has been in insurance 18 years, the last six in the State Mutual North Carolina post. He is a past president of Greensboro Assn. of Life Underwriters and currently is secretary of the North Carolina association.

The Corpus Christi, Tex., agency of Jefferson Standard Life has moved to new and larger quarters at 533 South Water street.

Pittsburgh Telephone Directory Now Ready

The Pittsburgh Insurance Telephone Directory is now off the press. This publication lists the insurance people of Pittsburgh, along with their addresses and telephone numbers.

Copies may be obtained from the National Underwriter Co., 420 East 4th street, Cincinnati 2. The price is \$1.

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Linton Cites Shortcoming of Term-and-Invest Plan

(CONTINUED FROM PAGE 5)

portion of the then market value of the securities owned by the fund. This of course is in marked contrast with the life insurance contract, with its series of exactly guaranteed cash and loan values.

"The reasons for the ability of the life insurance company to make these guarantees [are] conservative investment and steady flow of premium income even in bad times. This life insurance guarantee is of tremendous advantage in times of adversity and may be especially so at the time of the death of the policyholder. That was

vividly demonstrated in the 1930s.

"There may be some who believe that such conditions will not again recur. Let us hope not. At the same time do not be too sure. A new generation that knows the events of the 1920s and 1930s only as events that took place before their time will have many things to learn. One may well be the extreme difficulty of controlling a mass optimism expressing itself in widespread, long-sustained speculative activity which can be the forerunner of an economic bust. If there is one thing hard to do in a democracy it is to throw a monkey wrench into a booming economy when practically everyone feels optimistic and is making money. Those who will be taking over in the next few years may have to learn this and other lessons the hard way."

Recalling misgivings about inflation and its effect on the purchasing power of life insurance dollars, Mr. Linton said it was sometimes argued that life insurance was undesirable because its contracts were payable in fixed dollars and backed by conservative fixed-income investments not looked upon as hedges against inflation. On the other hand, life insurance men argued that if inflation was in prospect, then life insurance was a "must" for everyone with a family to protect.

"Take for example a man aged 35 in that position," Mr. Linton said. "If inflation comes it will probably strike within, say, a decade. To protect his family against the financial consequences of advanced prices should he be taken away, he looks for a place to put his money so that it will be multiplied when needed. Suppose he buys stock. How much more than he paid for it will the stock be worth three, five or 10 years from now? Furthermore, for it to be of much utility a rather large capital investment must be made to buy the stock in the first place.

"Let us now consider life insurance and use the data from the 10 mutual life insurance companies already mentioned. If he buys a whole life policy and dies within a year his family will receive 42 times the premium paid. If death occurs at the end of five years the return will be 8.7 times what he has paid. If at the end of 10 years, 4.1 times. Where, other than in life insurance, could a man expect to have his money multiplied so usefully and to such an extent should he be taken from his family? Certainly no securities or commodities could be counted on to do it.

"For the long run, too, life insurance is of great value. Inflations come and are followed by deflations. One never knows under what conditions the future financial need will mature. It may be at a time when securities can be sold on favorable terms. Or it may be at a time when they can be sold only at ruinous prices. Life insurance performance, on the other hand, is guaranteed performance, 100 cents on the dollar.

"Looking back over my own experience of nearly 45 years in the business, my maturing endowment policies are proving to be of great value as current producers of income. I can not think of any place where I could have put my money over the years to greater advantage. Had I put it into securities in the 1920s only a miracle could have prevented their being swept away, perhaps leaving me in debt."

Maloney Traces Growth of Life Insurance in Cal.

California Commissioner Maloney, in reviewing the history of life insurance in California before Los Angeles Quarter Million Dollar Round Table, declared that that state now has 5 million people who own \$20 billion of life insurance and that the average policy per family is \$4,700.

In 1868, he said, when the insurance department was inaugurated as an independent office in California, there were 25 life insurance companies operating in that state, and a year later, he said, premiums totalled \$2,500,000 and there was \$50 million in force.

It was in that year that President Winston of Mutual Life of New York, after a tour of the Pacific Coast, reported that "life insurance business is overdone in California", and that Oregon seemed to be a more stable field of operations.

Group life insurance began in California in 1911, Mr. Maloney said. In citing the growth of life insurance nationally, he pointed to the \$304 billion in force at the end of 1953 shared by 90 million policyholders. Group insurance alone has doubled in the last five years, he added.

Leading Mutual Trust Life General Agents Have Meet

Leading Mutual Trust Life general agents held a two-day meeting at Chicago. The agencies represented at the meeting produced approximately 70% of the company's paid life volume in 1953.

President Raymond Olson and other home office officials spoke at the conference that was in the form of a comprehensive agency management program in which sales and selling techniques were not featured.

Equiowa Council Meets

Equitable of Iowa's General Agents Advisory Council met at the home office at Des Moines to discuss field and management problems and to lay out a program for 1954.

The council consists of seven general agents, four qualifying through production and three appointed by the president. Serving at present are R. S. Brown, Nashville; Hugh R. Cowman, Harrisburg; R. L. Hoghe, Los Angeles; F. L. McCormick, Des Moines; H. O. Nelson, Chicago; Allen O'Donnell, Buffalo; and F. A. Smart, Detroit. Messrs. Nelson and Cowman are chairman and secretary respectively.

Bixby Addresses Luncheon

The University of Kansas City and the Kansas City chapter of CPCU sponsored this week an all-industry luncheon at which those having qualified for CPCU and CLU degrees were given their designations.

The principal talk was given by Walter E. Bixby, president of Kansas City Life, and M. M. Zolz, dean of the U. of Kansas city law school, was the moderator.

O'Haver Succeeds Donovan

Robert O'Haver of Southland Life is the new president of the Texas A&H Claims and Underwriting Assn., succeeding R. B. Donovan, vice-president of United American. The association now has a membership of 300, compared with its membership of five persons when it was organized in 1946.

Tops \$1 Million in First Year

Neal Sinclair, American United Life agent at Indianapolis, had more than \$1 million of sales during 1953, his first year in insurance. He is 27 years old and a former appliance salesman.

The Lee Nashem agency of Mutual Benefit Life in New York City paid for \$6,184,000 in 1953, up \$570,000.

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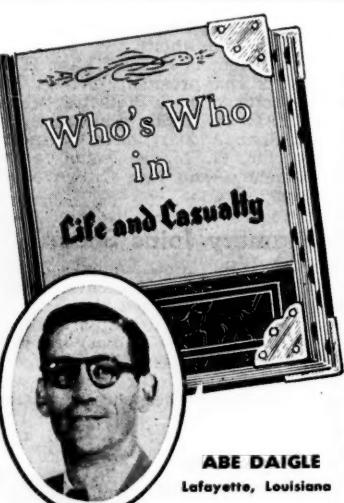
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George A. Hatzes, Fidelity Mutual, Washington; J. Sadler Hayes, Penn Mutual, New York; Russell W. Huether, Franklin Life, St. Louis; Rodney Hull, Mutual Life of Canada, Toronto; M. Herschel Ingram, Southwestern Life, Dallas; Richard J. Katz, Massachusetts Mutual, Rochester, N. Y.; Alson R. Kemp, New England Mutual, Chattanooga; Isidor Knopp, New York Life, New York; Clayton T. Knox, Mutual Life, Buffalo; Jack C. Krause, Penn Mutual, Lansing, Mich.; Walker Laramore, Penn Mutual, Miami; Stanley S. Leeds, Equitable Society, Beverly Hills, Cal.; Frederick D. Leete, Jr., Northwestern Mutual, Indianapolis; Rudolf Leitman, New York Life, Detroit; Alfred J. Lewallen, Mutual Benefit Life, Miami.

George J. Lucas, New York Life, Sioux Falls, S. D.; Louis C. McGann, National Guardian, Madison, Wis.; Clayton Mammel, Farmers & Bankers, Wichita; David Marks, Jr., New England Mutual, New York; David Marx, Jr., Massachusetts Mutual, Atlanta; Leo C. Maccote, Lincoln National, Fort Wayne, Ind.; Robert L. Maxwell, Southwestern Life, Dallas; Jack N. Meeks, Northwestern Mutual, Columbus, O.; C. Harrison Meyer, Massachusetts Mutual, New York; Frank M. Minninger, Connecticut General, Hartford; Leo P. Mirey, New England Mutual, New York; J. Renwick Montgomery, Phoenix Mutual, Philadelphia; Charles Moore, Connecticut Mutual, Memphis, Mark C. Muller, Phoenix Mutual, New York; Lowell L. Newman, Penn Mutual, Fort Wayne, Ind.

Barney Nuell, Connecticut Mutual, Los Angeles; Jack G. Oltorf, Republic National, San Angelo, Tex.; Albert M. Palmer, Massachusetts Mutual, Miami; Bertram Parker, Southwestern Life, Corpus Christi, Tex.; Clarence E. Pejeau, Massachusetts Mutual, Cleveland; Harry S. Peril, New York Life, Harrisburg, Pa.; Henrikas Rabinavicius, New England Mutual, New York; James G. Ranni, Manhattan Life, New York; Howard J. Richard, New York Life, Boston; Bert G. Ripley, Southwestern Life, Wichita Falls, Tex.; Marvin R. Robbins, Mutual Life, Rocky Mount, N. C.; Harry M. Roberts, Southwestern Life, Dallas; Robert Rogerson, Penn Mutual, Lansing, Mich.; Edward W. Rosenheim, Penn Mutual, Chicago; Mitchell M. Rosser, Phoenix Mutual, Boston; Frank J. Rubenstein, Equitable Society, Baltimore; W. Franklin Scarborough, New England Mutual, Ridley Park, Pa.; Sherman O. Schumacher, Provident Mutual, Akron, O.; Charles E. Seay, Southwestern Life, Dallas.

Jacob W. Shoul, Mutual Life, Boston; Adon N. Smith, II, Northwestern Mutual, Charlotte, N. C.; Lisle A. Spencer, Equitable Society, Youngstown, O.; William E. Stanley, Provident & A., Wilmington, N. C.; Lewis T. Stearn, Northwestern Mutual, Minneapolis; Clarence E. Tobias, Jr., Provident Mutual, Norristown, Pa.; John O. Todd, Northwestern Mutual, Chicago; Wayne M. Trostle, Massachusetts Mutual, Cleveland; David Warshawsky, Lincoln National, Cleveland; Shirley J. Wayburn, New York Life, Detroit; Lester E. Weaver, New York Life, San Francisco; Malcolm H. Webb, Jr., Life of Virginia, El Paso, Tex.; Charles H. Weiss, New England Mutual, New York; Abraham J. Wohlrreich, Bankers National, East Orange, N. J.; Harry J. Wolkoff, Northwestern National, St. Paul; Irvin Yoffee, Continental Assurance, Harrisburg, Pa.

Qualifying Repeating

Milton Asfahl, Equitable Life of Iowa, Oklahoma City; Roger L. Baldwin, Northwestern Mutual, Washington; Jerry Bell, Southland Life, Austin, Tex.; George H. Bowman, New York Life, San Francisco; John D. Campbell, Massachusetts Mutual, Lincoln, Neb.; Maurice R. Coulson, Penn Mutual, Wichita; Fred A. Dittmars, Massachusetts Mutual, Hackensack, N. J.; Eddie H. Dyer, Southland Life, Fort Worth; Walfrid H. Fromhold, New York Life, Palo Alto, Cal.; Joe H. Gerson, Equitable Society, Atlanta; Edward F. Gore, Franklin Life, Fort Lauderdale, Fla.; H. J. Harris, Great-West Life, Ottawa, Ont.; Roney A. Hilliard, Lincoln National, Asheville, N. C.; William J. Keyes, Security Life & Trust, Greensboro, N. C.; Patrick F. Koenigsberger, Mutual Life, Beverly Hills, Cal.; Isaac M. Kanarish, New York Life, Chicago.

Sol Koldony, Ohio National, Cincinnati; Joseph N. Lattano, Mutual Life, Ellwood City, Pa.; Madison M. Letts, New York Life, Leavenworth, Kan.; Edmund W. Lienke, Connecticut General, Minneapolis; Donald C. McCune, Fidelity Mutual, Pittsburgh; Kenneth Mitchell, Aetna Life, Los Angeles; William H. Muldowney, Equitable Society, Grand Rapids, Mich.; John Muldock, Mutual Benefit Life, Bellair, Fla.; William A. Post, Connecticut General,

Detroit; A. V. Pritchard, Connecticut Mutual, Memphis; Arthur I. Sandberg, Connecticut Mutual, Chicago; William Dana Shelly, Jr., Acacia Mutual, Louisville, Ky.; Beecher C. Swain, Continental Assurance, Hartford; T. Averett Taylor, Massachusetts Mutual, Columbus, Ga.; Stanley H. Watson, Equitable Society, Cleveland; Reuben K. Zetland, New York Life, Chicago.

Life

Eric W. Baker, Canada Life, Toronto; Harold L. Barnett, Northwestern Mutual, New York; David G. Berry, independent, Miami; Robert O. Bickel, National Life of Vermont, Cedar Rapids, Ia.; Robert B. Brown, College Life, Norman, Okla.; Tressier W. Callahan, Home Life, Boston; Harold M. Charlap, Sun Life, Philadelphia; Quan Lun Ching, Prudential, Honolulu, Hawaii; J. Lowell Craig, Northwestern Mutual, Milwaukee; Frank Crum, New York Life, Detroit; Harry I. Davis, Massachusetts Mutual, Atlanta; Peter Demetrio, Metropolitan, Astoria, N. Y.; Earle Y. Duncanson, Connecticut General, New York; Frank G. Feldstein, Prudential, San Antonio; H. G. Feldman, Aetna Life, Pittsburgh.

Cecil Frankel, Equitable Society, Los Angeles; Paul E. Garrett, Ohio National, Spokane; Louis J. Grayson, Travelers, Washington; J. Robert Guy, Northwestern Mutual, New York; Mrs. Sir Hoffman, Union Central, Cincinnati; Huge K. L. Hurrelbrink, Jr., Baltimore; Emanuel A. Hyman, Mutual Life, Baltimore; Harold B. Jones, American National, Oakland, Cal.; J. D. E. Jones, Equitable Society, Providence, R. I.; Dan A. Kaufman, Northwestern Mutual, Chicago; Louis P. Kraus, New York Life, Baltimore; Morris Landwirth, Massachusetts Mutual, Peoria; William F. Lee, Penn Mutual, Philadelphia; B. C. Lillis, Jr., Lincoln National, Providence, R. I.

Louis Meister, Mutual Life, Hartford; George A. Novell Prudential, Los Angeles; Ned G. Patrick, Massachusetts Mutual, Omaha; Nathan P. Paulus, State Mutual Life, Day; Ray S. Peters, Jefferson Standard, Denver; William L. Porte, Mutual Life, Colorado Springs; Robert K. Powers, Massachusetts Mutual, Spokane; Samuel D. Rosan, Continental Assurance, New York; Adam Rosenthal, General American, St. Louis; Louis G. Rude, Mutual Benefit Life, Newark.

Francisco J. Salas-Berti, Pan-American, Caracas, Venezuela; S. A.; Charles H. Schaeff, Massachusetts Mutual, Springfield, Mass.; Thomas M. Scott, Penn Mutual, Philadelphia; Marvin Sherman, Equitable Society, Los Angeles; Harry W. Stanley, Equitable Life of Iowa, Wichita; Gerard B. Tucci, Prudential, New York; M. Glenn Tuttle, Lincoln National, Miami; Harry E. Wuerstenbacher, Penn Mutual, St. Louis; J. Kenneth Wyard, John Hancock, Peoria.

Agents Vote Walkout

PHILADELPHIA—A strike of 119 agents of Philanthropic Mutual Life here appeared possible as workers, members of local 5 of Insurance Agents' International Union (AFL), voted 91 to 8 to stage a walkout.

Fred Levy, president of the local, said the company has offered a \$2.24 per week raise and that it has refused to submit the dispute to arbitration. The agents are seeking a \$10 increase. Levy said no date has been set for the strike.

Ehrmann in Top Spot

Lincoln National's 1953 Cross Month campaign has been won by F. C. Ehrmann, Grand Haven, Mich., general agent. The one-month drive is an annual affair in honor of Cecil F. Cross, vice-president and agency director.

M. L. Schoen, agent at Chicago, won second place among the 200 representatives who competed. E. J. Blond, also of Chicago, was third.

Shortage Continues in Hartford

HARTFORD—A severe labor shortage exists here, according to the census bureau, although unemployment is growing in 42 other cities. Advertisements from insurance concerns as well as from many other businesses appear daily in the newspapers.

Connecticut Mutual, Hartford Accident & Indemnity and Phoenix Mutual and many other companies are seeking clerks, typists and stenographers.

American Mutual Has Parley

Methods for increasing 1954 sales were discussed by 15 American Mutual Life general agents at a conference at the home office. Company officers described new policies, sales material and a new compensation plan.

Maestre on Gen'l. American Board

Sidney Maestre, chairman of Mercantile Trust Co. of St. Louis, has been elected to the board of General American Life.

Special Policies Issued by Amer. Progressive Health

Among policies recently issued by American Progressive Health, New York City, are the special blanket Boy Scouts accident policy, the special school child accident policy, and the blood plasma and transfusion expense policy.

The Boy Scout policy provides \$500 medical reimbursement and \$1,000 accidental death benefit. It is sold at an annual rate per member of \$1 with \$3 expense deductible or at \$1.25 with full coverage.

The special school child accident policy at \$1.25 per year for each student or teacher pays all medical expenses up to \$2,000 for each accident, \$1,000 for accidental death and \$7,500 for dismemberment. The blood plasma and transfusion expense policy provides for payment of blood in amounts from \$100 to \$300 at premiums beginning at \$1 for the \$100 coverage under age 55 to \$3.75 for \$300 of coverage between ages 55 and 65.

Childs Agency Is Honored

Members of the Childs agency of

Minnesota Mutual Life at Denver were guests of President Harold J. Cummings at a banquet there. For the fourth consecutive year the Childs organization led all Minnesota Mutual agencies in regular paid ordinary business, and presently has in excess of \$34 million of its own business on the books during a 10-year period. Mr. Cummings said the agency has more business in force than all other Minnesota Mutual offices.

Best for Minneapolis Life

Minneapolis Life registered its greatest production in history in 1953 with a total volume of \$32,639,494. The company also experienced its best December on record. These totals increased the in-force figure to \$291,160,614.

Gaffney Stays in N. J.

Gov. Meyner of New Jersey has indicated that he will retain Insurance Commissioner Warren Gaffney in that post.

A round table discussion on conservation, led by Kay E. Jackson, General American, and William E. Ladick, Connecticut Mutual, was the fare at the January meeting of *Life Agency Cashiers Assn. of Detroit and Windsor*.

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news
for
you
and your annuity clients



LOWER SINGLE PREMIUM IMMEDIATE ANNUITY RATES

The Manufacturers Life Insurance Company is well known for its guaranteed high return single premium immediate annuities. In keeping with this reputation is the recent announcement of reduced rates for many plans and ages.

Your clients will welcome the news of greater return per \$1000 of annuity investment. And for you lower rates mean more sales and more commissions.

For a schedule of the new rates and information about our unusually high limits contact one of our Branches.

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YOUR OWN COMPANY FIRST . . . THEN

THE
MANUFACTURERS
INSURANCE COMPANY
LIFE

Facts and Figures of N. Y. Life Policy Series

(CONTINUED FROM PAGE 2)

comes fully paid-up either at the end of the 20 year premium period or by application of dividend credits if earlier. The policy containing this option has not yet been approved for issue in Massachusetts or Maryland.

Under this option, a supplementary retirement annuity may be built up by payment of annuity considerations after the policy has become fully paid up, with the paid-up life insurance coverage continued.

The amount of the annuity considerations, on an annual payment basis, may be as little as \$10 or as much as 120% (to the next higher \$10) of the 20 payment life premium. If annuity consideration payments are to be made semiannually, quarterly or monthly they must be at least \$15, \$12.50 or \$10, respectively.

The supplementary retirement annuity, to begin at age 65 (or, if so elected, at a later age but not beyond 80), is the amount provided under settlement option 3B—annuity for life, 10 years certain—by the retirement annuity cash benefit built up through annuity consideration payments made under the option. The income may be increased by the application of the cash value of the paid-up life insurance if the policy is surrendered.

Any other available settlement option may be elected instead of option 3B, or settlement may be in a single sum.

If annuity consideration payments under the supplementary retirement annuity option are discontinued they may be resumed within five years upon payment of arrears with interest at 5% per annum. If not resumed, the retirement annuity cash benefit at the date to which payments were made increases at the rate of 2½% compounded annually.

The supplementary retirement annuity may be terminated, before annuity payments begin, without disturbing the fully paid-up life insurance. The retirement annuity cash benefit may then be either withdrawn or placed under a settlement option. If the policy is surrendered before annuity payments begin, the cash value will of course include the retirement annuity cash benefit.

On the death of the insured before annuity payments begin, an amount equal to considerations paid under the option, taken on the annual basis, (or the retirement annuity cash benefit, if greater) is included as a supplementary death benefit along with the death benefit under the paid-up life policy.

Privilege of Change to Retirement Endowment Plan in Life Paid-up at Age 65 issued at ages 0-45 and in Estate Builder: Life paid-up at age 65 policies, if issued at ages 0-45, contain a valuable new privilege of change to the retirement endowment plan. This privilege is available at age 25 (policy anniversary) for issue ages 0-19 and on the fifth policy anniversary for issue ages 20 to 45, unless the insured has been totally disabled under any waiver of premium provisions of the policy. This privilege is also available at age 25 in the estate builder policy.

Policies with this privilege of change provision have not yet been approved for issue in Massachusetts or Maryland.

If this privilege is elected, increased premiums are payable from the effective date of change to age 65, at which

time the policy has a maturity value sufficient to provide \$10 a month per \$1,000 of face amount to the insured under settlement option 3B—annuity for life, 10 years certain. No lump sum payment is required when the policy is changed, other than the premium then due on the retirement endowment plan.

The company's indorsement of the change in plan substitutes new non-forfeiture provisions and a new table of cash, loan and non-forfeiture benefits in the policy.

Family Income Riders (\$10 and \$20 a month): Family income riders which provide decreasing term insurance are available instead of the former family income policies. The riders may be attached only at the time of issue to policies on seven life and eight endowment plans.

Family income coverage is available for either \$10 or \$20 a month income per \$1,000 face amount of the basic policy, as follows:

Income Period	20 Years	Monthly Income Benefit For Each \$1,000
18 to 45	to Age 65	\$10 or \$20
46 to 55	to Age 65	\$10 or \$20

Premiums for the family income riders are payable to the end of the family income period, i.e., they are not on a limited payment basis. The cash values of the basic policy are the same whether or not a family income rider is attached.

The basic policy must be for at least \$2,000 (\$10,000 for whole life and \$5,000 for life modified three).

If the insured dies before the end of the family income period, income payments will be made until the end of the income period, at which time the face amount of the basic policy to which the family income rider is attached will be paid. The \$10 or \$20 monthly income includes \$2.05 from interest on the face amount of the basic policy.

Commututed value settlements may be arranged instead of the family income payments. The riders include tables of commuted values.

The riders also include a conversion privilege which provides that 5 years or more before expiry of the family income period, up to 80% of the commuted value of the decreasing term insurance, taken to the higher \$100, may be converted to a life or endowment plan, subject to minimum policy rules, unless the insured has been totally disabled under any waiver of premium provisions of the basic policy. The new policy may include waiver of premium if contained in the basic policy and may also include double indemnity. Evidence of insurability is required only if double indemnity is applied for (or if waiver of premium is not in the basic policy and is applied for).

Mortgage Protection Riders: Two forms of mortgage protection riders are available, MP 10 and MP 20, which have the same amounts of decreasing term insurance and the same premium rates, respectively, as the corresponding \$10 and \$20 a month family income riders. They are issued on a commuted value basis only and contain a table of the applicable aggregate amounts of insurance. A conversion privilege is included as for family income riders.

The riders may be attached only at time of issue to the same plans as family income riders except that they may not be attached to retirement income endowment policies.

For issue ages 18 to 45 the mortgage protection period is 20 years. For issue

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

and also as president of International Federation of Commercial Travelers Insurance Organizations.

Mr. Tripp joined the company in 1937 as treasurer, and in 1950 was elected vice-president and treasurer. Andrew Hobart has been secretary since 1950.

Schulz to Washington for Conn. General

Connecticut General has promoted John H. I. Schulz to manager at Washington. He has been a district manager attached to the Baltimore branch since last April. He has been with the company since 1951.

Northwestern, Seattle, Advances McLeod

Northwestern Life of Seattle has appointed Phil M. McLeod superintendent of agencies. Mr. McLeod has been agency supervisor and before that managed the company's home office agency. He is a navy veteran.

State Mutual Makes Group Field Changes

State Mutual will on Feb. 1 open a new group office at Buffalo. Bruce R. Crawford, formerly in the Philadelphia office, will be home office representative in charge. He has been with the company nearly five years. R. C. Ames, a marine corps veteran, has been assigned to Philadelphia. Richard E. Mathes, also a marine veteran, has been assigned to the Boston group office.

ages 46 to 55 the mortgage protection period is to age 65.

The basic policy must be for at least \$2,000 (\$10,000 for whole life and \$5,000 for life modified three).

Mortgage Protection Term Policy: The new mortgage protection term insurance for 15, 20 or 25 years, the amount of insurance decreasing each year until the last five policy years, when the insurance remains level at the then decreased amount. Level premiums are payable for the entire term of the policy, i.e., they are not on a limited payment basis.

The policy includes a table of the applicable face amounts, which are at least sufficient to cover the outstanding balance of a 5% mortgage if, at issue of the policy, the remaining period of the mortgage is the same as the mortgage protection term period and the remaining balance of principal under the mortgage is the same as the initial face amount of the policy. However, the policy may be issued whether or not it is to be used in connection with a mortgage.

The mortgage protection term policy may be used to secure coverage which, when combined with the coverage under an existing policy by the use of settlement options, is comparable to that under a new policy issued with a family income rider.

Issue ages are from 18 to a maximum age of 50 for the 15 year period, 45 for the 20 year period, and 40 for the 25 year period.

The minimum initial face amount is \$5,000.

The mortgage protection term policy includes a conversion privilege similar to that of the family income and mortgage protection riders.

Five Year Renewable Term: The new five year renewable term policy provides coverage during a five year term period, after which the policy is automatically renewed for additional five year term periods (or to age 65, if less than five years) so long as premiums are paid. The usual 31-day grace period also applies to the initial premium for each renewal period.

Issue ages are 18 to 59 and the minimum policy is \$5,000.

The renewable term policy provides that, within 31 days after expiration of the policy at age 65, the insurance can be continued on the life paid-up at age 65 plan (A.D. 54 basis) without evidence of insurability. The amount of the age 65 premium on the life paid-

up at age 85 plan is stated in the renewable term policy. This is done in an attempt to minimize policyholder dissatisfaction at expiry by placing him on notice from the start as to the amount of premium to be paid for permanent insurance at the expiry of his term coverage.

Provision is also made for earlier conversion to any life or endowment plan without evidence of insurability if the insured has never been totally disabled under any waiver of premium provisions of the term policy. The new life or endowment policy may include family income or mortgage protection coverage if available for new issues on the effective date of the new policy, but the entire initial amount of insurance cannot exceed the face amount of the five year renewable term policy.

During the first five years, conversion may be either from start or at the attained age, but only attained age conversion is available thereafter. Policies and premium rates will be on the basis current on the effective date of the converted policy (except that the A.D. 54 basis will apply to continuation on the life paid-up at age 85 plan starting at attained age 65).

Under the waiver of premium provision of the five year renewable term policy, premiums are waived during the continuance of total disability. If premiums have been waived to age 65, the company will then issue a life paid-up at age 85 policy and waive premiums under the new policy during the further continuance of the disability.

Details of other policy forms will be presented in next week's issue.

Rankin Columbus Manager

Gordon Rankin has been appointed manager at Columbus for Sun Life of Baltimore. He started with the company at Cleveland in 1936 and has been at Columbus two years.

Opens Dearborn Agency

Occidental Life of California has opened an agency at Dearborn, Mich., and named Earl J. Christy as general agent.

Mr. Christy was formerly with Occidental's Detroit branch.

• Connecticut General Life has made a \$1,800,000 loan on the Town-House, Los Angeles, owned by Hilton Hotels Corp. The corporation will continue to operate the establishment.



We're Mary and Bill...

MY COMPANY STRESSES

THE HUMAN ELEMENT . . . We're on a first-name basis with the folks at Berkshire Life. It's a friendly, personal relationship, because my Company is big enough to *serve* me, and small enough to *know* me. At The Berkshire I'm not just a pin on a map. To everybody I'm "Bill" — a valued Agent with "most important" cases.

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One of the Finest Direct Mail Plans (Proven through the years)	

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3. Pension Plan
4. Disability Benefits

For information Address

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 President

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 Executive Vice-President

KENNETH D. HAMER
 Vice-President & Agency Director



NEW ORLEANS, U. S. A.



The HARE, the TORTOISE and HIGH BLOOD PRESSURE

NEARLY everyone knows the famous Aesop fable about the hare and the tortoise. There is a good lesson in it for all of us, but for people who have high blood pressure this ancient fable can have a special meaning.

You may remember that the tortoise "pursued a slow but steady pace straight to the end of the course." Yet he won the race simply by taking it in his stride. Indeed, he took life much, much easier than the hare.

This is exactly what doctors wish that all patients who have high blood pressure, or hypertension, would do. In fact, people who have moderate, uncomplicated high blood pressure are often helped simply by learning to adjust their lives to a slower pace.

A relaxed attitude toward life is important in the treatment of this disorder because rush, "drive" and emotional tension can cause an already elevated blood pressure to rise to even higher levels. This is why doctors advise a steady, easy pace during the day and eight or more hours of sleep every night.

In addition, patients should carefully follow their doctor's advice about diet and eating habits. Above all, weight should be constantly kept at the proper level, because high blood pressure and overweight often go hand in hand.

People who learn to take these precautions may live happily, usefully and actively with hypertension even to old age.

Of course, if blood pressure reaches and

stays at an excessively high level . . . or if it is caused by an underlying disease . . . the situation becomes more serious. Even in these cases, there are often ways to lower pressure and relieve symptoms—such as drugs, surgery and special diets.

High blood pressure affects at least 4 million Americans . . . and is a major cause of heart disease in middle age and later years. If you have reached the years when high blood pressure is most likely to occur . . . if you are overweight . . . and if there has ever been high blood pressure in your family, do not neglect to see your doctor for regular medical examinations. When discovered early, hypertension is usually easier to control.

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This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in magazines with a total circulation in excess of 32,000,000 including Collier's, Time, Newsweek, Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Cosmopolitan, McCall's, American Magazine, Woman's Home Companion, National Geographic.